

**ATTACHMENT K**  
**Transmission Planning Process**

## Table of Contents

<b>Preamble</b> .....	
<b>SECTION 0</b>	<b>Definitions</b> .....
<b>SECTION 1</b>	<b>Local Planning Process</b> .....
	[Reserved for Member’s Local Transmission Planning Process] .....
<b>SECTION 2</b>	<b>Regional Transmission Planning Process</b> .....
2.1	Introduction .....
2.2	Participation and Information Access .....
2.3	Data Gathering/Study Scope Inputs .....
2.4	Development of Draft Regional Transmission Plan .....
2.5	Qualifying to Request Cost Allocation .....
2.6	Cost Allocation .....
2.7	Regional Transmission Plan .....
<b>SECTION 3</b>	<b>Long-Term Regional Transmission Planning Process</b> .....
3.1	Introduction .....
3.2	Participation and Information Access for the Long-Term Regional Transmission Plan .....
3.3	Scenario Development, Data Gathering, and Study Scope Inputs for the Long-Term Regional Transmission Plan .....
3.4	Development of Draft Long-Term Regional Transmission Plan .....
3.5	Qualifying to Request Cost Allocation for Long-Term Regional Transmission Facilities .....
3.6	Long-Term Regional Transmission Cost Allocation Method .....
3.7	State Agreement Process .....
3.8	Multiple Scenarios .....

- 3.9    Reevaluation of Long-Term Regional Transmission Facilities and Cost Allocation.....
- 3.10   Long-Term Regional Transmission Plan.....
- SECTION 4     Interregional Coordination and Cost Allocation Process .....**
- 4.1    Introduction.....
- 4.2    Annual Interregional Information Exchange .....
- 4.3    Annual Interregional Coordination Meeting.....
- 4.4    ITP Joint Evaluation Process .....
- 4.5    Interregional Cost Allocation Process .....
- 4.6    Application of Regional Cost Allocation Methodology or Long-Term Regional Cost Allocation Methodology to Selected ITP.....
- 4.7    ITPs, Joint Evaluation, and Interregional Cost Allocation .....
- SECTION 5     Economic Study Request.....**
- 5.1    Performance of Economic Studies.....
- 5.2    Stakeholder Requests to Perform an Economic Study .....
- 5.3    Submission, Consideration and Prioritization of Economic Study Requests .....
- 5.4    Support for the Preparation of Economic Studies.....
- 5.5    Publication of Economic Study Report.....
- SECTION 6     Dispute Resolution .....**
- 6.1    Scope.....
- 6.2    Process .....
- 6.3    Timeliness.....

**Attachment K Exhibits**

- Exhibit A: Cost Allocation Task Force Charter
- Exhibit B: Enrolled Parties Planning Committee Charter
- Exhibit C: Enrolled Parties and States Committee Charter
- Exhibit D: Form of Non-Enrolled Developer Agreement

## ATTACHMENT K

### Transmission Planning Process

#### Preamble

In accordance with the Commission’s regulations, Transmission Provider’s planning process is performed on a local, regional, and interregional basis. Section 1 of this Attachment K addresses the local planning process. Section 2 of this Attachment K addresses the regional planning process. Section 3 of this Attachment K addresses the long-term regional planning process. Section 4 of this Attachment K addresses interregional coordination and cost allocation with the planning regions in the United States portion of the Western Interconnection. Section 5 of this Attachment K addresses Economic Study Requests. Section 6 of this Attachment K addresses Dispute Resolution.

The Transmission Provider is responsible for maintaining its Transmission System and planning for transmission and generator interconnection service pursuant to the Tariff and other agreements. The Transmission Provider retains the responsibility for the local planning process and Local Transmission Plan and may accept or reject, in whole or in part, the comments of any stakeholder unless prohibited by applicable law or regulation.

#### SECTION 0 Definitions

The following terms shall have the following definitions where used in this Attachment K. Other terms defined in other sections of the Tariff shall have the meanings set forth in such section of the Tariff.

**“Additional Long-Term Regional Costs from Interregional Cost Allocation”** means an additional amount of projected costs of the ITP in the Long-Term Regional Transmission Planning Horizon to be assigned to the NorthernGrid Enrolled Region if such additional amount is properly allocable to a Long-Term Enrolled Party Beneficiary(ies) as an owner(s) or operator(s) of such ITP.

**“Additional Regional Costs from Interregional Cost Allocation”** means an additional amount of projected costs of the ITP in the Regional Transmission Planning Horizon to be assigned to the NorthernGrid Enrolled Region if such additional amount is properly allocable to an Enrolled Party Beneficiary(ies) as an owner(s) or operator(s) of such ITP.

**“Advanced Conductors”** means present and future transmission line technologies whose power flow capacities exceed the power flow capacities of conventional aluminum conductor steel reinforced conductors, and includes superconducting cables, advanced composite conductors, advanced steel core, high temperature low-sag conductors, fiber optic temperature sensing conductors, advanced overhead conductors, and any additional

advanced conductor determined by the Enrolled Parties Planning Committee that might be more efficient or cost-effective.

**“Advanced Power Flow Control Devices”** means devices that can help the system operator control power flows over a given path and can include phase shifting transformers (also known as phase angle regulators) and devices or systems necessary for implementing optimal Transmission Switching. Advanced Power Flow Control Devices allow power to be pushed and pulled to alternate lines with spare capacity leading to maximum utilization of existing transmission capacity.

**“Alternative Project”** means any Sponsored Projects or ITPs (including those carried over from a prior Regional Transmission Plan or Long-Term Regional Transmission Plan, as applicable) and projects submitted by Merchant Transmission Developers), and unsponsored projects if any, including those identified by the Enrolled Parties Planning Committee.

**“Annual Interregional Coordination Meeting”** means the annual meeting of the NorthernGrid Enrolled Region and other Planning Regions as set forth in Section 4.3 of this Attachment K.

**“Annual Interregional Information”** shall have the meaning set forth in Section 4.2 of this Attachment K.

**“Annualized Cost”** means one of the following, as determined by the Cost Allocation Task Force: the Annualized Cost of the Project that is not an ITP as determined in accordance with Section 2.6.2.1 or 3.6.2.1 of this Attachment K, or the Annualized Cost of an ITP as determined in accordance with Section 2.6.2.2 or 3.6.2.2 of this Attachment K.

**“Assigned Long-Term Regional Costs from Interregional Cost Allocation”** means, with respect to an ITP in the Long-Term Regional Transmission Planning Horizon, the NorthernGrid Enrolled Region’s assigned pro rata share of the projected costs of such ITP calculated pursuant to Section 4.7.6 of this Attachment K.

**“Assigned Regional Costs from Interregional Cost Allocation”** means, with respect to an ITP in the Regional Transmission Planning Horizon, the NorthernGrid Enrolled Region’s assigned pro rata share of the projected costs of such ITP calculated pursuant to Section 4.7.6 of this Attachment K.

**“Assumptions Meeting”** means a stakeholder meeting to review the criteria, assumptions, and models related to the local transmission planning process.

**“Baseline Projects of Enrolled Parties”** means the transmission projects included in the Enrolled Parties’ Local Transmission Plans plus those projects included in the prior Regional Transmission Plan or Long-Term Regional Transmission Plan, as applicable,

that will be reevaluated (unless the Enrolled Parties Planning Committee has received or is aware that a project included in the prior Regional or Long-Term Regional Transmission Plan has been cancelled or replaced, in which case the cancelled or replaced project will not be considered). Baseline Projects of Enrolled Parties do not include Committed Projects.

“**Benefit**” means the benefits identified in Section 2.6.4 of this Attachment K that are calculated for an Enrolled Party associated with an Eligible Cost Allocation Project.

“**Benefit-to-Cost Ratio**” means the ratio established in Section 2.6.5 of this Attachment K.

“**Best Available Data Inputs**” means data inputs that are timely, transparent, and based on the most current and credible information reasonably available, including data proposed by stakeholders through a transparent and open stakeholder process, and that correspond to and support the Factor Categories used in the development of Long-Term Scenarios. Such data inputs shall reflect a reasonable range of credible sources and methodologies and be documented sufficiently to enable stakeholder review and validation.

“**Commencement Date**” shall have the meaning provided in Section 3.1 of this Attachment K.

“**Commission**” means the Federal Energy Regulatory Commission or any successor entity.

“**Committed Project**” means a Sponsored Project or a local project for which the developer of such project has obtained substantially all federal, county and state permits required for the development of the project.

“**Conceptual Solutions**” means projects or concepts that are developed from data or information provided in the Planning Cycle pursuant to Section 5.2 and that may be proposed pursuant to Section 5.2.3 of this Attachment K.

“**Confidential Information**” means all information, regardless of the manner in which it is furnished, marked as “Confidential Information” at the time of its furnishing; provided that Confidential Information does not include information: (i) in the public domain or generally available or known to the public; (ii) disclosed to a recipient by a Person who had a legal right to do so; (iii) independently developed by the receiving party or known to such party prior to its disclosure to Transmission Provider in connection with its local transmission planning process, or to NorthernGrid in connection with the regional transmission planning process; (iv) normally disclosed by entities in the Western Interconnection without limitation; (v) disclosed in aggregate form where specific identifying information is unidentifiable; or (vi) required to be disclosed by subpoena, law, or other directive of a court, administrative agency, or arbitration panel.

**“Cost Allocation Methodology”** means the Cost Allocation Methodology provided in Section 2.6.5 of this Attachment K.

**“Cost Allocation Project”** means a project selected into the Regional Transmission Plan or the Long-Term Regional Transmission Plan, as applicable, that received cost allocation.

**“Cost Allocation Task Force”** means the Task Force that carries out cost allocation tasks assigned to such Task Force in this Attachment K according to the Cost Allocation Task Force Charter.

**“Cost Allocation Task Force Charter”** means the document attached as Exhibit A to this Attachment K that defines the manner in which the Cost Allocation Task Force carries out the tasks assigned to the Cost Allocation Task Force in this Attachment K.

**“Critical Energy Infrastructure Information”** or **“CEII”** means information as defined in 18 C.F.R. § 388.113(c), as may be amended from time to time.

**“Data Submittal Form”** means the form posted on the NorthernGrid Website that is to be used to submit data, including projects and project information for consideration and also updated project information.

**“Diverse”** means that the set of Long-Term Scenarios must represent a reasonable range of probable future outcomes consistent with the requirement for plausibility, based on assumptions about the factors and data inputs.

**“Draft Final Long-Term Regional Transmission Plan”** means the version of the Long-Term Regional Transmission Plan that is developed and presented for stakeholder comment pursuant to Sections 3.10.1 and 3.10.2 of this Attachment K.

**“Draft Final Regional Transmission Plan”** means the version of the Regional Transmission Plan that is developed and presented for stakeholder comment pursuant to Sections 2.7.1 and 2.7.2 of this Attachment K.

**“Draft Long-Term Regional Transmission Plan”** means the version of the Long-Term Regional Transmission Plan that is developed and presented for stakeholder comment pursuant to Section 3.4 of this Attachment K.

**“Draft Regional Transmission Plan”** means the version of the Regional Transmission Plan that is developed and presented for stakeholder comment pursuant to Section 2.4 of this Attachment K.

**“Dynamic Line Rating”** means a transmission line rating that applies to a time period of not greater than one hour and reflects up-to-date forecasts of inputs such as (but not

limited to) ambient air temperature, wind, solar heating, transmission line tension, or transmission line sag.

**“Economic Study Request”** means a written request for a Local Economic Study or a Regional Economic Study, submitted by an Eligible Customer or stakeholder to the Transmission Provider or NorthernGrid, as may be applicable, in accordance with Section 5 of this Attachment K.

**“Eligible Cost Allocation Project”** means any Project for Cost Allocation Consideration that is determined to be more efficient or cost-effective will then be incorporated within the Draft Regional Transmission Plan.

**“Enrolled Parties and States Committee”** means the committee that carries out the tasks assigned to such committee in this Attachment K according to the Enrolled Parties and States Committee Charter.

**“Enrolled Parties and States Committee Charter”** means the document attached as Exhibit C to this Attachment K that defines the manner in which the Enrolled Parties and States Committee is to operate.

**“Enrolled Parties Planning Committee”** means the committee, comprised of Enrolled Parties and the co-chairs of the Enrolled Parties and States Committee, that carries out transmission planning tasks assigned to such committee in this Attachment K according to the Enrolled Parties Planning Committee Charter.

**“Enrolled Parties Planning Committee Charter”** means the document attached as Exhibit B to this Attachment K that defines the manner in which the Enrolled Parties Planning Committee is to operate.

**“Enrolled Party”** means a Person that has satisfied the eligibility requirements set forth in Section 2.2.1 of this Attachment K and completed the process set forth in Section 2.2.2 of this Attachment K to become enrolled in NorthernGrid. “Enrolled Parties” is a collective reference to each Enrolled Party.

**“Enrolled Party Beneficiary”** shall have the meaning set forth in Section 2.6.5.1 of this Attachment K. For avoidance of doubt, only an Enrolled Party may be identified as an Enrolled Party Beneficiary. “Enrolled Party Beneficiaries” is a collective reference to each “Enrolled Party Beneficiary”.

**“Enrolled Party Need”** means any need for transmission facilities of an Enrolled Party, including any such need that is driven by reliability requirements, addresses economic considerations, or is driven by Public Policy Requirements. To the extent a transmission need is satisfied by a Committed Project, it shall not be considered an Enrolled Party Need.

**“Enrolled Region”** or **“NorthernGrid Enrolled Region”** means the existing or proposed transmission facilities of any Enrolled Party and any proposed transmission facilities for which a Non-Incumbent Transmission Developer has properly submitted a Request for Cost Allocation; provided that the Enrolled Region specifically does not include any existing or proposed transmission facilities in any Planning Region other than the Enrolled Region.

**“Estimated Cost”** means the estimated total capital costs of the project, that are submitted pursuant to row K of the table found in Section 2.3.2.3.5 of this Attachment K, as they may be updated pursuant to either Section 2.3.2.3.8 or Sections 2.4.4 and 3.4 of this Attachment K.

**“Factor Category”** means any one of the seven specific categories of factors set forth in Section 3.3.5.2 that the Enrolled Parties Planning Committee must, at a minimum, use (individually or collectively) in the development of Long-Term Scenarios.

**“Federally-Recognized Tribal Laws and Regulations”** means the legally binding obligations, incentives, and/or restrictions promulgated by Federally-Recognized Tribes that will affect new or existing generators, or demand.

**“Federally-Recognized Tribe”** means a Tribe listed in the most recent notice provided by the Bureau of Indian Affairs and published in the Federal Register.

**“Funding Agreement”** means the current version of the agreement among the Persons funding the activities of NorthernGrid that is required by Section 2.2.2 of this Attachment K. The Funding Agreement is available on the NorthernGrid Website.

**“Grid Enhancing Technologies”** means alternative transmission technologies including: Dynamic Line Ratings; Advanced Power Flow Control Devices; Advanced Conductors; and Transmission Switching.

**“In-Kind Replacement Estimate”** means an Enrolled Party’s estimate of existing transmission facilities owned by the Enrolled Party, operating at or above 200 kV, that the Enrolled Party anticipates replacing in-kind with a new transmission facility during the next 10 years.

**“In-Kind Replacement Transmission Facility”** means a new transmission facility or facilities that (1) would replace an existing transmission facility(ies) identified by an Enrolled Party in its In-Kind Replacement Estimate as needing to be replaced within the next 10 years; (2) would result in no more than an incidental increase in capacity over the existing transmission facility(ies); and (3) would be located in the same general route as, or use the existing rights-of-way of, the existing transmission facility(ies).

**“Interregional Cost Allocation”** means the assignment of ITP costs between or among Relevant Planning Regions as described in Section 4 of this Attachment K.

**“Interregional Transfer Capability”** means the amount of electric power that can be moved or transferred reliably from one area to another area of the interconnected transmission systems by way of all transmission lines (or paths) between those areas under specified system conditions, or such definition as contained in Commission-approved Reliability Standards.

**“Interregional Transmission Project”** or **“ITP”** means a proposed new transmission project that would directly interconnect electrically to existing or planned transmission facilities in two or more Planning Regions and that is submitted into the regional transmission planning processes of all such Planning Regions.

**“Interregional Transmission Project Proponent”** or **“ITP Proponent”** means the entity that has signed a “Non-Enrolled Developer Agreement” in accordance with Section 2.2.2.4 of this Attachment K and is proposing or sponsoring an Interregional Transmission Project.

**“Local Economic Study”** shall have the meaning set forth in Section 5.2.2 of this Attachment K.

**“Local Transmission Plan”** means a transmission provider’s plan that identifies planned new transmission facilities and facility replacements or upgrades for such transmission provider’s Transmission System.

**“Long-Term Eligible Cost Allocation Project”** means a Long-Term Regional Transmission Facility (or portfolio) selected into the Draft Long-Term Regional Transmission Plan for which cost allocation is requested pursuant to Section 3.5 of this Attachment K.

**“Long-Term Enrolled Party Beneficiary”** shall have the meaning set forth in Section 3.6.4 of this Attachment K. For avoidance of doubt, only an Enrolled Party may be identified as a Long-Term Enrolled Party Beneficiary. “Long-Term Enrolled Party Beneficiaries” is a collective reference to each “Long-Term Enrolled Party Beneficiary”.

**“Long-Term Regional Benefits for Purposes of Interregional Cost Allocation”** means, with respect to an ITP, an amount equal to the sum of the aggregate Benefits calculated in accordance with the provisions of Sections 4.6.4 of this Attachment K for any Enrolled Party Beneficiary(ies) of such ITP.

**“Long-Term Regional Combination”** means combinations of the Baseline Projects of Enrolled Parties and Alternative Projects where there may be a combination that effectively satisfies all Enrolled Party Needs in the Long-Term Regional Transmission Planning Horizon, consistent with Section 3.4.4 of this Attachment K.

**“Long-Term Regional Transmission Cost Allocation Method”** means the default, ex ante method set forth in Section 3.6 of this Attachment K for allocating the costs of

Long-Term Regional Transmission Facilities (or portfolios of such Facilities) selected in the Long-Term Regional Transmission Plan.

**“Long-Term Regional Transmission Facility(ies)”** means a transmission facility located entirely within the NorthernGrid Planning Region that is subject to evaluation in the regional transmission planning process for potential selection in the Long-Term Regional Transmission Plan for purposes of cost allocation, as a more efficient or cost-effective solution to identified Long-Term Transmission Needs.

**“Long-Term Regional Transmission Plan”** means the regional transmission plan developed through Long-Term Regional Transmission Planning.

**“Long-Term Regional Transmission Planning”** means regional transmission planning on a sufficiently long-term, forward-looking, and comprehensive basis to identify Long-Term Transmission Needs, identify transmission facilities that meet such needs, measure the benefits of those transmission facilities, and evaluate those transmission facilities for potential selection in the regional transmission plan for purposes of cost allocation as the more efficient or cost-effective regional transmission facilities to meet Long-Term Transmission Needs.

**“Long-Term Regional Transmission Planning Cycle”** means each four-year period beginning on January 1 of the first year and ending on December 31 of the fourth year, undertaken by NorthernGrid to create the Long-Term Regional Transmission Plan.

**“Long-Term Regional Transmission Planning Horizon”** means the twenty (20) year planning horizon that commences on the Commencement Date of each Long-Term Regional Transmission Cycle.

**“Long-Term Scenarios”** means scenarios that incorporate various assumptions using Best Available Data Inputs about the future electric power system over a sufficiently long-term, forward-looking transmission planning horizon to identify Long-Term Transmission Needs and enable the identification and evaluation of transmission facilities to meet such transmission needs. For purposes of this Attachment K, the Long-Term Scenarios are developed in accordance with Section 3.3 of this Attachment K.

**“Long-Term Transmission Needs”** means transmission needs that are

- (i) identified and evaluated through the Long-Term Regional Transmission Planning Cycle,
- (ii) based on Long-Term Scenarios developed using Best Available Data Inputs,

- (iii) informed by and reflect the required categories of factors, including the Factor Categories set forth in Section 3.3.5.2 of this Attachment K,
- (iv) identified by reference to economic and reliability drivers emerging from the Long-Term Scenarios, as set forth in Section 3.3.5.7 of this Attachment K,
- (v) evaluated over the Long-Term Regional Transmission Planning Horizon, and
- (vi) used to identify, evaluate and inform the selection of Long-Term Regional Transmission Facilities.

**“Material Adverse Impact”** means one or more significant and verifiable adverse impacts on any Neighboring System that needs to be mitigated if it reduces the transfer capability of existing transmission facilities.

**“Merchant Transmission Developer”** means an entity that proposes a Merchant Transmission Project.

**“Merchant Transmission Project”** means an existing or planned project for which the costs are recovered or intended to be recovered through negotiated rates instead of cost-based rates and are therefore not eligible for cost allocation.

**“Mitigation Cost”** means the estimated total cost of the solution that is identified to mitigate the Material Adverse Impacts on a Neighboring System caused by a project identified in the Regional Combination, under Section 2.4.3 or 3.4.4 of this Attachment K.

**“Needs Meeting”** means a stakeholder meeting to review identified reliability criteria violations and other transmission needs that drive the need for local transmission facilities.

**“Neighboring System”** means an electrically interconnected transmission system.

**“Non-Enrolled Developer Agreement”** means the current version of the form agreement attached hereto as Exhibit D and entered into with the Enrolled Parties; it is intended for use by Non-Incumbent Transmission Developers, ITP Proponents, and Merchant Transmission Developers, as required in Sections 2.2.2.3, 2.2.2.4, and 2.2.4, respectively, of this Attachment K. The Non-Enrolled Developer Agreement form is available on the NorthernGrid Website.

**“Non-Incumbent Transmission Developer”** refers to two categories of transmission developer: (1) a transmission developer that does not have a retail distribution service

territory or footprint; and (2) a public utility transmission provider that proposes a transmission project outside of its existing retail distribution service territory or footprint, where it is not the incumbent for purposes of that project.

**“Non-Jurisdictional Entity”** means any entity that is within the definition of 16 U.S.C. § 824(f) (and hence is not a “public utility” under Part II of the Federal Power Act).

**“Non-Transmission Alternative”** means an alternative that does not involve the construction of high voltage transmission facilities and that NorthernGrid has determined would result in the elimination or delay of a need by modifying the loads and/or resources reflected in the system assessments. Examples of such alternatives that may constitute Non-Transmission Alternatives include demand-side load reduction programs, peak-shaving projects, and distributed generation.

**“NorthernGrid”**, as described in Section 2.1 of this Attachment K, is an unincorporated association of entities that either own or operate, or that propose to own or operate, electric transmission facilities in the Western Interconnection.

**“NorthernGrid Website”** is [www.northerngrid.net](http://www.northerngrid.net).

**“Order 1000”** or **“Order No. 1000”** means the Commission’s Order No. 1000 (*Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, 136 FERC ¶ 61,051 (2011), *order on rehearing and clarification*, 139 FERC ¶ 61,132 (2012), *order on rehearing and clarification*, 141 FERC ¶ 61,044 (2012), *affirmed sub nom. S. C. Pub. Serv. Auth. v. FERC*, 762 F.3d 41 (D.C. Cir. 2014)), as it may be amended, supplemented, or superseded from time to time.

**“Order 1920”** or **“Order No. 1920”** means the Commission’s Order No. 1920 (*Building for the Future Through Electric Regional Transmission Planning and Cost Allocation*, 187 FERC ¶ 61,068 (2024), *order on rehearing and clarification*, 189 FERC ¶ 61,126 (2024), *order on rehearing and clarification*, 191 FERC ¶ 61,026 (2025)), as it may be amended, supplemented, or superseded from time to time.

**“Participant,”** as described in Section 3.7, means a representative identified by a state commission that regulates the retail rates of an Enrolled Party.

**“Plausible”** means that each Long-Term Scenario must itself be reasonably probable, and collectively that the set of plausible scenarios must reasonably capture probable future outcomes.

**“Person”** means an individual, corporation, cooperative corporation, municipal corporation, quasi-municipal corporation, joint operating entity, limited liability company, mutual association, partnership, limited partnership, limited liability partnership, association, joint stock company, trust, unincorporated organization, government entity or political subdivision thereof (including a federal power marketing

administration), Federally-Recognized Tribes, or organization recognized as a legal entity by law in the United States or Canada.

**“Planning Cycle”** means the Regional Transmission Planning Cycle, or the Long-Term Regional Transmission Planning Cycle, as applicable.

**“Planning Region”** means the transmission planning regions recognized by the Commission within the Western Interconnection.

**“Potential Cost Allocation Project”** means a transmission project for which a Request for Cost Allocation has been properly submitted as explained in Sections 2.3.2.3.2 and 2.3.2.3.3 of this Attachment K.

**“Preliminary Cost Allocation Project”** means a proposed Eligible Cost Allocation Project where the Benefit-to-Cost Ratio is calculated to be greater than or equal to 1.25, as explained in Section 2.6.5.2 of this Attachment K.

**“Project for Cost Allocation Consideration”** means that the Cost Allocation Task Force has confirmed that the Potential Cost Allocation Project has Estimated Costs exceeding \$20 million, as described in Section 2.6.1 of this Attachment K.

**“Project Sponsor”** means an Enrolled Party, a Non-Incumbent Transmission Developer, an ITP Proponent, or a Merchant Transmission Developer who as proposed a new transmission project (each a **“Sponsored Project”**) for evaluation in a Planning Cycle, as explained in Section 2.3.2.3.1 of this Attachment K.

**“Public Policy Requirement”** means any applicable public policy requirement established through one or more enacted statutes or regulations promulgated by a relevant local, state or federal jurisdiction within the Enrolled Region. “Public Policy Requirements” is a collective reference to each “Public Policy Requirement.”

**“Qualified Developer”** means a Person that has satisfied the requirements of Section 2.5.1.3 of this Attachment K and intends to develop the project for which a Request for Cost Allocation is to be submitted.

**“Qualified Sponsor”** means a Project Sponsor that intends to submit a Request for Cost Allocation but does not intend to develop the project for which such Request for Cost Allocation is intended to be submitted.

**“Qualifying Interconnection Project”** means any generation interconnection-related Network Upgrade(s) that: (1) an Enrolled Party has identified in its interconnection studies to address interconnection-related transmission need(s) in at least two interconnection queue cycles (or in at least two individual interconnection studies for Transmission Providers that use a first-come, first-served serial generator interconnection process); (2) have a voltage of at least 200 kV and an estimated cost of at least

\$30 million; (3) have not been developed and are not currently planned to be developed because the interconnection request(s) driving the need for the Network Upgrade(s) has been withdrawn and no more than five calendar years have passed between the date of an earlier interconnection request withdrawal and the date of a later interconnection request withdrawal; (4) the Enrolled Party has not identified an interconnection-related Network Upgrade to address the relevant interconnection-related transmission need in an executed generator interconnection agreement or in a generator interconnection agreement that the interconnection customer requested that the transmission provider file unexecuted with the Commission; and (5) the interconnection request withdrawals associated with the identified interconnection-related transmission need occurred no earlier than seven (7) calendar years prior to the commencement date of the applicable Regional Transmission Planning Cycle.

**“Regional Benefits for Purposes of Interregional Cost Allocation”** means, with respect to an ITP, an amount equal to the sum of the aggregate Benefits calculated in accordance with the provisions of Sections 4.7.4 of this Attachment K for any Enrolled Party Beneficiary(ies) of such ITP.

**“Regional Combination”** means combinations of the Baseline Projects of Enrolled Parties and Alternative Projects where there may be a combination that effectively satisfies all Enrolled Party Needs in the Regional Transmission Planning Horizon, consistent with Section 2.4.3 of this Attachment K.

**“Regional Economic Study”** is defined in Section 5.2.1(c) of this Attachment K.

**“Regional Transmission Planning Horizon”** means the ten-year planning horizon considered in a given Regional Transmission Planning Cycle.

**“Regional Transmission Facility”** means a transmission facility located entirely within the NorthernGrid Planning Region that is subject to evaluation in the regional transmission planning process for potential selection in the Regional Transmission Plan for purposes of cost allocation, as a more efficient or cost-effective solution to identified transmission needs.

**“Regional Transmission Needs”** means transmission needs that are:

- (i) identified and evaluated through the Regional Transmission Planning Cycle,
- (ii) developed using best available data,
- (iii) evaluated over the Regional Transmission Planning Horizon, and
- (iv) used to identify, evaluate and inform the selection of Regional Transmission Facilities.

**“Regional Transmission Plan”** or **“Plan”** means the regional transmission plan developed during each biennial Regional Transmission Planning Cycle pursuant to this Attachment K.

**“Regional Transmission Planning Cycle”** means each two-year period beginning on January 1 of even numbered years and ending on December 31 of odd numbered years, undertaken by NorthernGrid, to create the Regional Transmission Plan.

**“Relevant Planning Regions”** means, with respect to an ITP, the Planning Regions that would directly interconnect electrically with such ITP, unless and until such time as a Relevant Planning Region determines that such ITP will not meet any of its Regional Transmission Needs.

**“Relevant State Entity”** means any state entity that is responsible for electric utility regulation or siting of electric transmission facilities within a state or portion of a state located in the transmission planning region, including any state entity as may be designated for that purpose by state law.

**“Request for Cost Allocation”** means a request for a Sponsored Project to be considered for cost allocation that is submitted in accordance with Sections 2.3.2.3.2 and 2.3.2.3.3 of this Attachment K.

**“Required Benefits”** means the seven benefits set forth in Section 3.4.3 of this Attachment K that the Enrolled Parties Planning Committee must measure for each Long-Term Regional Transmission Facility under each Long-Term Scenario, and apply consistently across Long-Term Scenarios for purposes of evaluating and selecting Long-Term Regional Transmission Facilities, without limiting the Enrolled Parties Planning Committee’s discretion under Section 3.4.3 to measure and use additional benefits.

**“Right-Sized Replacement Transmission Facility”** means a new transmission facility that (1) would replace an existing transmission facility operating at or above 200 kV identified by a Transmission Provider in its in-kind replacement estimate as one that it plans to replace with an in-kind replacement transmission facility; (2) would increase the capacity of that existing transmission facility; and (3) would be located in the same general route as, or use or expand the existing rights-of-way of, the existing transmission facility that a transmission provider has identified for replacement in its in-kind replacement estimate.

**“Right-Sizing”** means the process of modifying a Transmission Provider’s estimated in-kind replacement of an existing transmission facility to instead increase that facility’s transfer capability.

**“Solutions Meeting”** means a stakeholder meeting to review potential solutions to identified reliability criteria violations and other transmission needs.

**“State Agreement Process”** means a process by which one or more Relevant State Entities may voluntarily agree to a cost allocation method for Long-Term Regional Transmission Facilities (or a portfolio of such Facilities) before or no later than six months after they are selected.

**“State-Approved Integrated Resource Plan”** means any Integrated Resource Plan or similar resource plan developed by an Enrolled Party and submitted to a state regulatory authority with jurisdiction over such Enrolled Party for review and/or approval. For avoidance of doubt, “State-Approved Integrated Resource Plan” includes any Integrated Resource Plan or similar resource plan developed by an Enrolled Party and reviewed, but not approved, through a retail proceeding in a jurisdiction where the retail regulator does not formally approve such plans.

**“Study Scope”** means the range of items to be considered in performing analysis and studies to develop (i) the Regional Transmission Plan as described in Section 2.4.1 of this Attachment K and (ii) the Long-Term Regional Transmission Plan as described in Section 3.4.1 of this Attachment K.

**“Submittal Window”** begins on January 1 and runs through March 31 of even numbered years in each Regional Transmission Planning Cycle. In Planning Cycles where the Enrolled Parties Planning Committee is conducting a Long-Term Regional Transmission Plan, the January 1 to March 31 Submittal Window will be shared by both the Regional and Long-Term Regional Transmission Plan (i.e., year 1, quarter 1 of the Long-Term Regional Transmission Planning Cycle).

**“Total Project Cost”** means the sum of the Estimated Cost and the Mitigation Cost (as either may be adjusted by the Cost Allocation Task Force, using the WECC Transmission Capital Costs Calculator or some other recognized means) of a project that is not an ITP or the Assigned Regional Costs from Interregional Cost Allocation of a project that is an ITP.

**“Transmission Switching”** means the opening or closing of transmission elements to safely route power and direct flows away from congestion, based on pre-existing forward analysis.

**“Transmission System”** means, for purposes of this Attachment K only, the existing or proposed transmission facilities of a transmission provider (depending upon context, the Transmission Provider or an Enrolled Party); provided that Transmission System specifically excludes any existing or proposed transmission facilities in any Planning Region other than the Enrolled Region.

**“Western Electricity Coordinating Council”** or **“WECC”** means the Western Electricity Coordinating Council or any successor entity.

“**Western Interconnection**” means the western interconnected electric grid in North America. It spans 14 western states in the United States, the Canadian provinces of British Columbia and Alberta, and the northern portion of Baja California in Mexico.

## **SECTION 1 Local Transmission Planning Process**

[Reserved for Member’s Local Transmission Planning Process]

## **SECTION 2 Regional Transmission Planning Process**

### **2.1 Introduction**

NorthernGrid is an unincorporated association of entities that either own or operate, or that propose to own or operate, electric transmission facilities in the Western Interconnection. NorthernGrid promotes coordinated, open, and transparent transmission planning and facilitates compliance with certain Commission transmission planning directives for the Enrolled Parties. Transmission Provider participates in NorthernGrid’s transmission planning processes as set forth in this Attachment K.

NorthernGrid is to develop a Regional Transmission Plan each Planning Cycle as described in this Attachment K. Each Planning Cycle considers a ten-year planning horizon (“**Regional Transmission Planning Horizon**”) to commence on the first day of that Planning Cycle. The Regional Transmission Plan is not intended to be a construction plan; however, the Regional Transmission Plan is intended to provide insight and information regarding regional transmission planning.

### **2.2 Participation and Information Access**

#### **2.2.1 Enrolled Parties**

##### **2.2.1.1 Identification**

The Enrolled Parties are:

Avista Corporation;

Idaho Power Company;

MATL LLP;

NorthWestern Corporation;

NV Energy;

PacifiCorp;

Portland General Electric Company; and

Puget Sound Energy, Inc.

### **2.2.1.2 Updates to Enrolled Parties List**

Transmission Provider is to revise the list of Enrolled Parties in Section 2.2.1.1 of this Attachment K to add any entity that enrolls pursuant to Section 2.2.2.2, or to remove any entity that withdraws (or is deemed to have withdrawn) as an Enrolled Party.

## **2.2.2 Becoming an Enrolled Party**

### **2.2.2.1 Eligibility**

Any Person that satisfies the requirements of sub-sections (i) and (ii) is eligible to and may seek to become an Enrolled Party.

- (i) The Person owns or operates, or proposes to own or operate, transmission facilities in the United States portion of the Western Interconnection.
- (ii) The Person's transmission facilities (whether owned, operated or proposed) within the United States portion of the Western Interconnection are (or are proposed to be) electrically interconnected with another Enrolled Party's transmission facilities or the transmission facilities of a Non-Jurisdictional Entity that utilizes NorthernGrid for transmission planning.

### **2.2.2.2 Process to become an Enrolled Party**

A Person shall demonstrate eligibility and request to become an Enrolled Party by submitting a completed application form, which is available on the NorthernGrid Website, in accordance with the instructions contained on the form.

The Person becomes an Enrolled Party on the date it satisfies the requirements of subsections (i), (ii), and (iii) below.

- (i) The Person demonstrates eligibility pursuant to Section 2.2.2.1.

- (ii) The Person places into effect either an Attachment K to its Open Access Transmission Tariff if the Commission requires the Person to have an Open Access Transmission Tariff, or in the case of a Non-Jurisdictional Entity, executes an agreement that is consistent with this Tariff that defines NorthernGrid's processes for producing a Regional Transmission Plan, Enrolled Party responsibilities, and stakeholder involvement.
- (iii) The Person becomes a party to the Funding Agreement.

**2.2.2.3 Process for Non-Incumbent Transmission Developers to Participate**

Provided it is not an Enrolled Party, a Non-Incumbent Transmission Developer that intends to propose a transmission project for evaluation and potential selection into the regional plan in accordance with Section 2.3.2.3 must first execute a Non-Enrolled Developer Agreement in the form of Exhibit D, attached hereto, and pay the study fee indicated in that agreement.

**2.2.2.4 Process for Interregional Transmission Project Proponents to Participate**

Provided it is not an Enrolled Party, an Interregional Transmission Project Proponent that intends to propose an ITP for evaluation and potential selection into the Regional Transmission Plan in accordance with Section 2.3.2.3 must first execute a Non-Enrolled Developer Agreement in the form of Exhibit D, attached hereto.

**2.2.2.5 Duration of Enrollment for Enrolled Parties**

Enrolled Party status is retained, unless or until such time as the entity withdraws, or is deemed to have withdrawn, in accordance with Section 2.2.3 of this Attachment K.

**2.2.2.6 Expectations of an Enrolled Party**

Each Person that becomes an Enrolled Party pursuant to Section 2.2.2.2 is expected to actively participate in the transmission planning processes set forth in this Attachment K.

## **2.2.3 Withdrawal of Enrolled Party**

### **2.2.3.1 Notice of Enrolled Party Withdrawal**

Any Enrolled Party may withdraw from being an Enrolled Party by providing written notice of withdrawal to the Enrolled Parties' representative chair of the Enrolled Parties Planning Committee, at the address listed on the NorthernGrid Website, and to each other Enrolled Party, at the address listed for each Enrolled Party on NorthernGrid's Website.

### **2.2.3.2 Effective Date of Notice of Withdrawal**

If an Enrolled Party provides notice of withdrawal in accordance with Section 2.2.3.1, such withdrawal will be effective the end of the Planning Cycle in which such written notice of withdrawal is received by the Enrolled Parties' representative chair of the Enrolled Parties Planning Committee; provided, however, if the withdrawing Enrolled Party is a Non-Jurisdictional Entity, such withdrawal shall be effective upon the receipt, by the Enrolled Parties' chair of the Enrolled Parties' Planning Committee, of the written notice of withdrawal from such Enrolled Party.

### **2.2.3.3 Deemed Withdrawal**

Any Person enrolled as an Enrolled Party pursuant to Section 2.2.2.2 must remain a party to the Funding Agreement. If an Enrolled Party ceases being a party to the Funding Agreement, such Enrolled Party shall be deemed to have withdrawn as an Enrolled Party thirty (30) calendar days after the date such Enrolled Party ceases being a party to the Funding Agreement.

### **2.2.3.4 Significance of Withdrawal**

Upon the effective date of withdrawal or deemed withdrawal of an Enrolled Party, all rights and obligations of the withdrawing Enrolled Party under this Attachment K shall terminate; provided that all obligations and liabilities of such withdrawing Enrolled Party, including any obligation with regard to any Total Project Cost allocated to such Enrolled Party in accordance with Section 2.6.5.4 of this Attachment K, accrued prior to the date upon which withdrawal of such Enrolled Party is effective, as provided in Section 2.2.3.2 or 2.2.3.3 (as applicable), are preserved until satisfied.

## **2.2.4 Participation by Merchant Transmission Developer**

A Merchant Transmission Developer that has either executed the Funding Agreement or executed a Non-Enrolled Developer Agreement in the form of Exhibit D, attached hereto, and paid a study fee in accordance with such agreement, may submit a Merchant Transmission Project into the Planning Cycle in accordance with Section 2.3.2.3.4.

## **2.2.5 Stakeholder Participation**

Any Person may attend public meetings, and any Person may submit comments to materials published on the NorthernGrid Website for public comment according to the instructions included with the materials. NorthernGrid is to post notice of the public meeting on the NorthernGrid Website at least seven (7) calendar days in advance of such meeting. The meeting notice will identify the date, time, and location of the meeting.

## **2.2.6 Engagement of States**

State participation in the processes in this Attachment K is described in the Enrolled Parties and States Committee Charter.

## **2.2.7 Sensitive Information**

### **2.2.7.1 Protocols for Treatment and Labeling of CEII or Confidential Information**

Any Person seeking to participate in the processes of this Attachment K must adhere to the rules and/or guidelines established by the Enrolled Parties concerning CEII or Confidential Information. Those rules and any guidelines will be posted on the NorthernGrid Website and updated as necessary. Confidential Information and CEII must be clearly marked as such.

### **2.2.7.2 Requesting and Processing Information Requests**

A Person may request information from NorthernGrid by completing and submitting a written request form available on the NorthernGrid Website, specifying the information being requested. The Enrolled Parties Planning Committee is to determine whether any of the requested information includes CEII or Confidential Information. NorthernGrid is to provide to the requestor the information requested that NorthernGrid does not identify as information that includes any CEII or Confidential Information.

If the requested information includes CEII or Confidential Information, NorthernGrid is to notify the requestor in writing that information requested by such requestor includes CEII or Confidential Information and that the requestor must comply with restrictions imposed on access to and use of such data (such as a non-disclosure agreement) by the entity that owns such data. NorthernGrid is, to the extent practicable, to inform the requestor of the entities with which it must enter into a non-disclosure agreement. To the extent any other entity's Confidential Information is contained within the work product of NorthernGrid, any non-disclosure agreements must be obtained with such entity prior to disclosure of Confidential Information by NorthernGrid.

The requestor shall work with each entity, as applicable, to execute non-disclosure agreements. Once NorthernGrid has received confirmation that applicable non-disclosure agreements have been executed, it is to provide the Confidential Information or CEII to the requestor. In no event shall Transmission Provider or NorthernGrid be required to produce or provide to any Person information in violation of any applicable law, regulation, or other legal requirement.

## **2.3 Data Gathering/Study Scope Inputs**

### **2.3.1 Responsibility**

The Enrolled Parties Planning Committee is to gather data to prepare the Study Scope and perform certain evaluations as set forth in this Attachment K.

### **2.3.2 Data Gathering for the Regional Transmission Plan**

#### **2.3.2.1 General from Relevant State Entities and Stakeholders**

Any Relevant State Entity or stakeholder may submit data, including projects, for evaluation as part of the preparation of the Draft Regional Transmission Plan to address Enrolled Party Needs. Projects submitted by Relevant State Entities or stakeholders, or derived from stakeholder information, may become Sponsored Projects that may be submitted for evaluation and/or cost allocation pursuant to Section 2.3.2.3.1 or 2.3.2.3.2, or they may be submitted for evaluation and cost allocation pursuant to Section 2.3.2.3.3. A Relevant State Entity or stakeholder shall use the Data Submittal Form to submit data and may use Table A, in Section 2.3.2.3.5, as guidance for the types of data to be submitted. Relevant State

Entities and stakeholders shall submit such data to NorthernGrid consistent with the instructions available on the NorthernGrid Website, within the Submittal Window. Relevant State Entities and stakeholders may also submit such data to NorthernGrid consistent with the instructions available on the NorthernGrid Website within the sixty (60) day time period for submitting additional information under Section 2.4.2. Untimely submissions will not be considered.

### **2.3.2.2 Enrolled Party Information for the Regional Transmission Plan**

Each Enrolled Party is to submit the following information to NorthernGrid within the Submittal Window:

- (i) Its Local Transmission Plan, and the data required by Section 2.3.2.3.5 for any local project that is to be evaluated by the Enrolled Parties Planning Committee;
- (ii) Any local project the Enrolled Party is identifying and submitting appropriate evidence for, such that the project may be evaluated by the Enrolled Parties Planning Committee for possible classification as a Committed Project;
- (iii) Data used to develop its Local Transmission Plan, including projections of network customer loads and resources, projected point-to-point transmission service forecast information, existing and planned demand response resources;
- (iv) Updates to previously submitted data;
- (v) Enrolled Party Needs;
- (vi) Any Qualifying Interconnection Project(s);  
and
- (vii) Any other project that such Enrolled Party intends to propose for evaluation in the Planning Cycle.

### **2.3.2.3 Proposing a Project**

#### **2.3.2.3.1 New Sponsored Projects**

An Enrolled Party, a Non-Incumbent Transmission Developer, an ITP Proponent, or a Merchant Transmission Developer (each individually referred to as a Project Sponsor) may propose a new transmission project (each a “Sponsored Project”) for evaluation in a Planning Cycle. At a minimum, the data identified in Table A must be submitted for each project being proposed. For any project submitted for possible classification as a Committed Project, the Project Sponsor must demonstrate, to the reasonable satisfaction of the Enrolled Parties Planning Committee, that the project is a Committed Project. Failure to do so will result in the project being evaluated in the normal course, during the Planning Cycle.

#### **2.3.2.3.2 Request for Cost Allocation - Sponsored Project**

An Enrolled Party, a Non-Incumbent Transmission Developer, and an ITP Proponent that is deemed a Qualified Sponsor or otherwise qualifies as a Qualified Developer in accordance with Section 2.5 below, may propose a Sponsored Project for evaluation and potential selection in the Regional Transmission Plan for purposes of cost allocation; provided, however, that Non-Transmission Alternatives are not eligible to be selected for purposes of cost allocation.

A Qualified Sponsor/Qualified Developer shall use the Data Submittal Form to submit data and may use Table A below, as guidance for the types of data to be submitted. Qualified Sponsors/Qualified Developers shall submit such data to NorthernGrid within the Submittal Window, or to the extent such submission is related to additional information submitted in accordance with Section 2.4.2, within fifteen (15) days after the close of the sixty (60) day period for submitting data pursuant to Section 2.4.2, consistent with the instructions available on the NorthernGrid Website. Untimely submissions will not be considered.

A transmission project for which a Request for Cost Allocation has been properly submitted is referred to as a “Potential Cost Allocation Project.” A Qualified Sponsor/Qualified Developer may withdraw its Request for Cost Allocation at any time by providing written notice to the chair of the Cost Allocation Task Force. In the event that all Qualified Sponsors/Qualified Developers of a specific Potential Cost Allocation Project withdraw their Request(s) for Cost Allocation, such project shall no longer be eligible, during the then-current Planning Cycle, for consideration to become a Cost Allocation Project in the Regional Transmission Plan.

#### **2.3.2.3.3 Request for Cost Allocation – Un-sponsored Project**

Any Enrolled Party, Non-Incumbent Transmission Developer, or ITP Proponent (only with regard to un-sponsored projects that are ITPs) may propose an un-sponsored transmission project for evaluation and potential selection into the Regional Transmission Plan for purposes of cost allocation. However, each un-sponsored project is dependent upon an otherwise Qualified Sponsor/Qualified Developer to submit a Request for Cost Allocation on behalf of the un-sponsored project. A transmission project for which a Request for Cost Allocation has been properly submitted is referred to as a “Potential Cost Allocation Project.” If no Qualified Sponsor/Qualified Developer submits a Requests for Cost Allocation for an otherwise un-sponsored transmission project, such un-sponsored project will be removed from the Regional Transmission Plan.

Any Enrolled Party, Non-Incumbent Transmission Developer, or ITP Proponent proposing an un-sponsored transmission project for evaluation and potential selection into the Regional Transmission Plan for purposes of cost allocation, shall use the Data Submittal Form to submit relevant data about the project and shall use Table A and Section 2.3.2.3.6 below, for the types of data to be submitted. Such data shall be submitted to NorthernGrid within the Submittal Window, or to the extent such submission is related to additional

information submitted in accordance with Section 2.4.2, within fifteen (15) days after the close of the sixty (60) day period for submitting data pursuant to Section 2.4.2, consistent with the instructions available on the NorthernGrid Website. Untimely submissions will not be considered.

If a Request for Cost Allocation is made on behalf of an unsponsored project, such request may later be withdrawn by the Qualified Sponsor/Qualified Developer who requested cost allocation by providing written notice to the chair of the Cost Allocation Task Force. If the Request for Cost Allocation is withdrawn, such unsponsored project shall no longer be eligible, during the then-current Planning Cycle, for consideration to become a Cost Allocation Project in the Regional Transmission Plan.

**2.3.2.3.4 Merchant Transmission Projects**

A Merchant Transmission Developer may submit a Merchant Transmission Project for evaluation in the Planning Cycle by submitting the data identified in Table A below, to be submitted by Merchant Developers, and thereby have its project recognized as a “Sponsored Project.” However, Merchant Transmission Projects shall not be considered for cost allocation.

**2.3.2.3.5 Minimum Data Submittal Requirements (“Project Data” or “Table A”)**

**Table A. Project Data Requirements**

<b>Data/Information to be provided</b>	<b>Everyone except Merchant Transmission Developers</b>	<b>Merchant Transmission Developers</b>
A Proposed project name and name of Project Sponsor; if project is an unsponsored project, clearly label project as “Unsponsored”; if project is a Qualifying Interconnection Project, clearly	Y	Y

**Table A. Project Data Requirements**

<b>Data/Information to be provided</b>	<b>Everyone except Merchant Transmission Developers</b>	<b>Merchant Transmission Developers</b>
label project as “Qualifying Interconnection Project”		
B Whether or not project is claimed to be a Committed Project	Y	Y
C Whether Project Sponsor intends to request cost allocation	Y	N
D Identify the Enrolled Party Needs to be addressed	Y	Optional
E Identify location of project, including map of proposed route	Y	Y
F Any new facilities comprising the project (e.g., new substations and transmission lines)	Y	Y
G Voltage level (including AC or DC)	Y	Y
H Structure type (wood, steel, single-circuit, double-circuit, etc.)	Y	Y
I Conductor type, mileage, configuration, and electrical parameters of components as necessary to model them accurately in power flow simulations (e.g., resistance, reactance, charging, ratings, etc.)	Y	Y
J Project terminal facilities and any reactive elements (in MVAR)	Y	Y
K Estimated Cost of project, and if available, the associated annual revenue requirement and underlying assumptions (such as annual return (both debt and equity), depreciation, taxes other than income, operation and maintenance expense, and income taxes)	Y	Optional
L Development schedule of the project	Y	Y

**Table A. Project Data Requirements**

	<b>Data/Information to be provided</b>	<b>Everyone except Merchant Transmission Developers</b>	<b>Merchant Transmission Developers</b>
M	Planned in-service date of the project	Y	Y
N	Whether the project is being proposed as an Interregional Transmission Project (ITP)	Y	N
O	If the project is an Interregional Transmission Project, a list of all Relevant Planning Regions to which the Interregional Transmission Project has been, or is to be, submitted for evaluation	Y	N
P	Whether the project is a Merchant Transmission Project	N	Y
Q	Additional technical studies and analysis, if performed	Y	Y
R	Economic Considerations	Y	Optional

If the Enrolled Parties Planning Committee determines that additional information is necessary or appropriate, it may request the additional information at any time, and the Project Sponsor shall promptly provide such other information as may reasonably be requested.

#### **2.3.2.3.6 Additional Information about Potential Cost Allocation Projects**

Within fifteen (15) calendar days of submitting a Request for Cost Allocation for a Potential Cost Allocation Project in accordance with Section 2.3.2.3.2, the Qualified Sponsor/Qualified Developer of such Potential Cost Allocation Project shall, to the extent not already provided, submit the following additional information about the Potential Cost Allocation Project:

- (i) Qualified Sponsor's/Qualified Developer's anticipated role regarding the Potential Cost

Allocation Project (e.g., intends to be the developer, owner, and/or operator of the Potential Cost Allocation Project) and the identity of any other entity that proposes to participate in the development, ownership, or operation of the Potential Cost Allocation Project;

- (ii) Required steps for developing the Potential Cost Allocation Project, such as granting of state, federal, and local approvals and obtaining easements necessary to develop and construct the Potential Cost Allocation Project to meet the Enrolled Party Need(s) promptly, and the current status regarding any such steps;
- (iii) Anticipated transfer capability or path rating increase associated with the Potential Cost Allocation Project;
- (iv) A list of new facility outages that should be analyzed as a result of the Potential Cost Allocation Project; and
- (v) All data underlying the calculation of Estimated Costs must share sufficient detail to allow the Cost Allocation Task Force to determine the Annualized Cost of the Potential Cost Allocation Project (Note: Estimated Costs may be compared to an industry-recognized tool).

The Enrolled Parties Planning Committee or the Cost Allocation Task Force may request additional

information at any time, and the Qualified Sponsor/Qualified Developer shall promptly provide such other information as may reasonably be requested.

**2.3.2.3.7 Submitting and Updating Sponsored Projects (not including Cost Allocation Projects) Included in the Prior Regional Transmission Plan**

Any Sponsored Project included in the prior Regional Transmission Plan for which the Project Sponsor does not intend to request cost allocation in the current Planning Cycle must be resubmitted as a Sponsored Project within the Submittal Window, along with updates to the information required by Table A, to be considered in the then-current Planning Cycle. To the extent a Project Sponsor fails to submit updated information identified in Table A, then only that information readily available to the Enrolled Parties Planning Committee shall be utilized. Sponsored Projects included in the prior Regional Transmission Plan will no longer be included in the Regional Transmission Plan for the current Planning Cycle if:

- (i) Such project no longer satisfies an Enrolled Party Need; or
- (ii) The Project Sponsor has withdrawn its project.

**2.3.2.3.8 Updating Previous Cost Allocation Projects Included in the Prior Regional Transmission Plan**

The previously Qualified Developer of any Cost Allocation Project selected in the prior Regional Transmission Plan must again qualify in the current Planning Cycle as a Qualified Developer under Section 2.5.1.2 by submitting, within the Submittal Window, updates to the information required by Table B, until such Cost Allocation Project either (i) is no longer to be included in a Regional Transmission Plan or (ii) has been demonstrated by the Qualified Developer to be a Committed Project. Updates to the information listed in Table A and Section 2.3.2.3.6 are also requested. However, to the extent a Qualified

Developer fails to submit updated information identified in Table A and Section 2.3.2.3.6, only that information that is readily available to the Enrolled Parties Planning Committee and the Cost Allocation Task Force shall be utilized. Cost Allocation Projects selected in the prior Regional Transmission Plan will not be included in the Regional Transmission Plan as a Cost Allocation Project for the current Planning Cycle if, in the Planning Cycle, it is determined that:

- (i) All who originally submitted a Request for Cost Allocation on behalf of such project no longer satisfy the criteria in the current Planning Cycle as Qualified Developers under Section 2.5.1.2;
- (ii) Such project no longer satisfies an Enrolled Party Need;
- (iii) All that properly submitted a Request for Cost Allocation with respect to such Cost Allocation Project have withdrawn their Requests for Cost Allocation;
- (iv) The project is no longer determined to be a more efficient or cost-effective solution to an Enrolled Party Need; or
- (v) Such a project has been in the Regional Transmission Plan for three (3) successive Planning Cycles, and the Qualified Developer has not demonstrated that such a project has achieved the status of being a Committed Project.

#### **2.3.2.4 Submittal Form and Due Date**

All data/information, including Request for Cost Allocation, submitted pursuant to the requirements described in Sections 2.3.2.1 through 2.3.2.3 shall be submitted within the Submittal Window to NorthernGrid using the Data Submittal Form (available on the NorthernGrid Website), consistent with the instructions available on the NorthernGrid Website.

#### **2.3.2.5 Use of Submitted Information**

By submitting data/information pursuant to this Attachment K, the submitting entity authorizes the use of the information in all NorthernGrid processes without compensation in any form. Any data/information made available or otherwise provided shall be “AS IS” and any reliance on such information is at one’s own risk, without warranty and without any liability of NorthernGrid (or any committee or committee members of NorthernGrid), Transmission Provider, or any entity supplying information.

### **2.3.3 Review of Submitted Information**

The Enrolled Parties Planning Committee is to review the information submitted in accordance with Section 2.3.2.3. If a Project Sponsor/Qualified Sponsor/Qualified Developer fails to meet the information requirements set forth in Section 2.3.2.3, the Enrolled Parties Planning Committee is to notify the Project Sponsor/Qualified Sponsor/Qualified Developer of the reasons for such failure. Each Project Sponsor/Qualified Sponsor/Qualified Developer shall have an opportunity to remedy deficiencies in their submitted data/information. If a Project Sponsor/Qualified Sponsor/Qualified Developer fails to fully remedy such deficiencies by the first April 15th of the Planning Cycle, that Project Sponsor’s/Qualified Sponsor’s/Qualified Developer’s proposed transmission project and/or Request for Cost Allocation shall be deemed withdrawn.

### **2.3.4 Untimely or Improperly Submitted Requests or Submittals of Information**

Untimely (i.e., information received by NorthernGrid prior to the opening of the Submittal Window or after the Submittal Window has closed, with the exception of (i) information submitted no later than fifteen (15) days after the close of the Submittal Window to remedy a deficiency notice from the Enrolled Parties Planning Committee or (ii) additional data, including projects, for evaluation as part of the preparation of the Draft Regional Transmission Plan to address Enrolled Party Needs identified in the draft Study Scope that is

submitted in accordance with Section 2.4.2) or improperly submitted requests made pursuant to Section 2.3.2.3, will not be considered.

## **2.4 Development of Draft Regional Transmission Plan**

### **2.4.1 Study Scope Development**

The Enrolled Parties Planning Committee is to develop a draft Study Scope. The draft Study Scope shall describe:

- a. Projects submitted, and data gathered in accordance with Section 2.3.2;
- b. Any Committed Projects (If the Enrolled Parties Planning Committee determines any project included in the prior Regional Transmission Plan to be a Committed Project, such project shall be included in the Draft Regional Transmission Plan as a Committed Project and shall not be subject to further evaluation in this Planning Cycle);
- c. The detailed study methodology;
- d. Reliability criteria to be considered;
- e. Enrolled Party Needs;
- f. Assumptions (including loads, resources, desired flows, constraints);
- g. Baseline Projects of Enrolled Parties;
- h. Each Alternative Project to be considered;
- i. Each Grid Enhancing Technology and other Non-Transmission Alternative to be considered;
- j. Databases to be utilized;
- k. Evaluation scenarios; and
- l. Qualifying Interconnection Projects (The initial evaluation of Qualifying Interconnection Projects will occur in the first Regional Transmission Planning Cycle after the effective date of the tariff revisions implementing Order 1920. The Enrolled Parties need not evaluate Qualifying Interconnection Projects that have

been evaluated in a previous Regional Transmission Planning Cycle. The interconnection request withdrawals associated with the Qualifying Interconnection Projects need to occur no earlier than seven (7) calendar years before the commencement date of the Regional Transmission Planning Cycle.)

#### **2.4.2 Review and Comment; Consideration of Comments; Update Study Scope**

Upon completion of the draft Study Scope, the Enrolled Parties Planning Committee shall post it on the NorthernGrid Website. Thereafter, the Enrolled Parties Planning Committee is to schedule a public meeting to review the draft Study Scope and solicit comments from stakeholders, the Enrolled Parties, and the States Committee. NorthernGrid is to post the draft Study Scope and notice of the public meeting on the NorthernGrid Website at least seven (7) calendar days in advance of such meeting.

At the public meeting, the Enrolled Parties Planning Committee will present the draft Study Scope to stakeholders and to the Enrolled Parties and States Committee for comment. Stakeholders and the Enrolled Parties and States Committee have fifteen (15) calendar days following the meeting to submit written comments on the draft Study Scope. NorthernGrid is to:

- a. Post any written comments received;
- b. Post any responses to written comments within fifteen (15) calendar days after the comment period closes; provided that either chair of the Enrolled Parties Planning Committee may extend the time for posting such responses to the extent necessary to allow time to consider and respond adequately; and
- c. Make modifications in response to comments received, as the Enrolled Parties Planning Committee deems appropriate, and finalize the Study Scope.

In addition to the opportunity to comment on the draft Study Scope in accordance with this Section, Relevant State Entities and stakeholders shall also have sixty (60) days following the posting of the draft Study Scope to submit additional data, including projects, for evaluation as part of the preparation of the Draft Regional Transmission Plan to address Enrolled Party Needs identified in the draft Study Scope, including Non-Transmission Alternatives and Conceptual Solutions to address such Enrolled Party Needs. Relevant State Entities and stakeholders shall use the Data Submittal Form to submit data and

may use Table A in Section 2.3.2.3.5 as guidance on the types of data to be submitted. Relevant State Entities and stakeholders shall submit such data to NorthernGrid consistent with the instructions available on the NorthernGrid Website, within the sixty (60) day period set forth in this Section. Untimely submissions will not be considered.

After considering comments and any additional information submitted pursuant to this Section, the Enrolled Parties Planning Committee may modify the draft Study Scope and finalize the Study Scope. NorthernGrid is to post the final Study Scope on the NorthernGrid Website. The Enrolled Parties Planning Committee is to document its analysis and results in the Draft Regional Transmission Plan.

### **2.4.3 Analysis; Documentation in Draft Regional Transmission Plan**

The Enrolled Parties Planning Committee is to evaluate combinations of the Baseline Projects of Enrolled Parties and Alternative Projects to identify whether there may be a combination that effectively satisfies all Enrolled Party Needs (“**Regional Combination**”). If a project does not meet any Enrolled Party Need, it will not be considered by Enrolled Parties for inclusion in the Draft Regional Transmission Plan.

Once the Enrolled Parties Planning Committee becomes aware of a Material Adverse Impact on a Neighboring System caused by a Sponsored Project or Alternative Project identified in the Regional Combination, the Project Sponsor is to coordinate with the Neighboring Systems to assess the facilities necessary to mitigate the Material Adverse Impact on the Neighboring Systems. If the Material Adverse Impact cannot be mitigated (by actions within the Enrolled Region or the Neighboring Systems), or the Project Sponsor does not identify solutions to mitigate the Material Adverse Impact on the Neighboring Systems, the Sponsored Project or Alternative Project identified in the Regional Combination will not be selected into the Draft Regional Transmission Plan. The Project Sponsor will provide the Mitigation Cost for each Material Adverse Impact to the Enrolled Parties Planning Committee. The Enrolled Parties Planning Committee will review and adjust the Mitigation Cost for each project and then associate the Mitigation Cost of each Material Adverse Impact to each project causing the Material Adverse Impact. The Enrolled Parties Planning Committee is to document its analysis and results in the Draft Regional Transmission Plan.

The evaluation process shall consider the following to ensure that the process is transparent and not unduly discriminatory or preferential:

Solutions to meet the Regional Transmission Needs of the system, including consideration of the following Grid Enhancing Technologies (on either new or existing transmission facilities) for each identified transmission need when evaluating regional transmission facilities for potential selection: (1) Dynamic Line Ratings; (2) Advanced Power Flow Control Devices; (3) Advanced Conductors; and (4) Transmission Switching. Consideration means the Transmission Provider will determine whether it may be more efficient or cost-effective to incorporate the enumerated alternative transmission technologies into both new regional transmission facilities and upgrades to existing transmission facilities than to select additional new facilities or to omit such technologies from new facilities. As part of the NorthernGrid selection process, it will explain, in sufficient detail, why an enhanced technology was or was not selected for the Regional Transmission Plan.

#### **2.4.4 Review and Comment; Consideration of Comments; Update Draft Regional Transmission Plan**

Upon development of the Draft Regional Transmission Plan, the Enrolled Parties Planning Committee shall post it on the NorthernGrid Website. Thereafter, the Enrolled Parties Planning Committee is to schedule a public meeting to review the Draft Regional Transmission Plan and solicit comments from stakeholders, the Enrolled Parties, and the States Committee. The Enrolled Parties Planning Committee is to post the Draft Regional Transmission Plan and notice of the public meeting on the NorthernGrid Website at least seven (7) calendar days in advance of such meeting.

At the public meeting, the Enrolled Parties Planning Committee will present the Draft Regional Transmission Plan to stakeholders and to the Enrolled Parties and States Committee for comment. Stakeholders and the Enrolled Parties and States Committee have fifteen (15) calendar days following the meeting to submit written comments on the Draft Regional Transmission Plan. Comments may include changes to the data provided pursuant to Section 2.3.2.

The Enrolled Parties Planning Committee is to:

- a. Post any written comments received;
- b. Post any responses to written comments within fifteen (15) calendar days after the comment period closes; provided that the Enrolled Party chair of the Enrolled Parties Planning Committee may extend the time for posting such responses to the extent necessary to allow time to consider and respond adequately; and

- c. Make modifications in response to comments received, as the Enrolled Parties Planning Committee deems appropriate, to the Study Scope based upon additional information about new or changed circumstances related to loads, resources, transmission projects or Alternative Solutions, or identified changes to data provided and then, based upon the updated Study Scope, update the analysis performed in accordance with Section 2.4.3 “Analysis; Documentation in the Draft Regional Transmission Plan”; and
- d. Make modifications in response to comments received and/or make modifications resulting from the updated analysis performed in accordance with sub-section (c) above, as the Enrolled Parties Planning Committee deems appropriate, to the Draft Regional Transmission Plan.

#### **2.4.5 Comparability**

In developing the Study Scope and the Draft Regional Transmission Plan, the Enrolled Parties Planning Committee is to consider all timely submitted information, including information and comments received from stakeholders, to comparably address Enrolled Party Needs, including reliability requirements and economic considerations.

### **2.5 Qualifying to Request Cost Allocation**

#### **2.5.1 Qualification Process for/to Submit a Project for Cost Allocation**

##### **2.5.1.1 Qualification to Request Cost Allocation**

Any Enrolled Party, Non-Incumbent Transmission Developer (that has satisfied the requirements of Section 2.2.2.3), or ITP Proponent (that has satisfied the requirements of Section 2.2.2.4) that does not intend to develop the project for which it intends to submit a Request for Cost Allocation, is deemed a Qualified Sponsor. Any Enrolled Party, Non-Incumbent Transmission Developer (that has satisfied the requirements of Section 2.2.2.3), or ITP Proponent (that has satisfied the requirements of Section 2.2.2.4) that does intend to develop the project for which it intends to submit a Request for Cost Allocation must first qualify in accordance with Section 2.5.1.2 to become a Qualified Developer.

### 2.5.1.2 Qualification Process

Any Enrolled Party, Non-Incumbent Transmission Developer (that has satisfied the requirements of Section 2.2.2.3) or ITP Proponent (that has satisfied the requirements of Section 2.2.2.4) that intends to develop a project for which it intends to submit a Request for Cost Allocation must submit, within the Submittal Window, the qualification data described in Table B below, through the NorthernGrid Website, using the Developer Qualification Data Form found on the NorthernGrid Website.

**Table B. Developer Qualification Data Requirements**

<b>Category</b>	<b>Information to be Provided</b>	<b>Criteria for Evaluation of Information</b>
Project Sponsor's Identification	<ol style="list-style-type: none"> <li>1. name</li> <li>2. address</li> <li>3. primary contact information, including:               <ol style="list-style-type: none"> <li>(i) name and title</li> <li>(ii) phone number</li> <li>(iii) address</li> <li>(iv) email address</li> </ol> </li> </ol>	Assess whether the required data was submitted.
Project Sponsor's Experience	<ol style="list-style-type: none"> <li>1. years in business</li> <li>2. description of any relevant experience, including management and technical experience, developing, constructing, owning, and/or operating a project of similar size and scope as the Sponsored Project</li> </ol>	Assess whether information indicates experience, including managerial and technical expertise in developing, constructing (or managing construction), owning, and/or operating comparable projects.
Reliance on Third Parties	<ol style="list-style-type: none"> <li>1. identification of any third parties that the Project Sponsor intends to rely on for management, development, operating, or technical expertise</li> </ol>	Assess whether information indicates the third party has experience, including managerial and technical expertise in developing, constructing (or managing construction), and/or operating comparable projects.

**Table B. Developer Qualification Data Requirements**

Category	Information to be Provided	Criteria for Evaluation of Information
Project Sponsor's Financials	<ol style="list-style-type: none"> <li>2. description of the expertise the third party is expected to provide</li> <li>3. information from which the third party's financial ability to perform can be evaluated, which may include information substantially similar to the information listed about the Project Sponsor's financial ability below</li> </ol>	Assess whether the required information was submitted and satisfied the criteria.
	<ol style="list-style-type: none"> <li>1. demonstrate that Project Sponsor, or Project Sponsor's parent, has either an investment grade rating or has a minimum tangible net worth of \$1,000,000 or total assets of \$10,000,000</li> <li>2. provide information from which the Project Sponsor's creditworthiness can be evaluated, which may include the following (to the extent they exist): <ol style="list-style-type: none"> <li>(i) most recent annual report</li> <li>(ii) most recent quarterly report</li> <li>(iii) the last two most recent audited year-end financial statements</li> <li>(iv) rating agency reports</li> <li>(v) any material issues that could affect the credit rating, including</li> </ol> </li> </ol>	

**Table B. Developer Qualification Data Requirements**

<b>Category</b>	<b>Information to be Provided</b>	<b>Criteria for Evaluation of Information</b>
	any pending or expected litigation or investigations  (vi) other information supporting the Project Sponsor's financial ability	
Affirmation	a signed affirmation by an authorized officer of Project Sponsor that the information provided under this Section is true, accurate, and complete to the best of such authorized officer's knowledge and belief	Assess whether the required affirmation was submitted.

#### **2.5.1.3 Evaluation of Project Sponsor Submissions**

The data submitted pursuant to Section 2.5.1.2 shall be evaluated to determine whether such entity has the minimum qualifications to develop the project submitted. For each Planning Cycle, the Cost Allocation Task Force is to evaluate the criteria identified in Table B in a comparable and non-discriminatory manner. The Cost Allocation Task Force will determine the sufficiency of the qualification data. The Cost Allocation Task Force co-chairs are to provide the Project Sponsor with written notice of the Cost Allocation Task Force's determinations. The notice will either state that the entity satisfies the qualification data requirements or identify specific deficiencies.

#### **2.5.1.4 Opportunity to Cure Deficiencies and Failure to Cure**

If the Cost Allocation Task Force identifies deficiencies in the qualification data submitted by an entity, such entity has fifteen (15) calendar days from the date of notice of deficiencies to cure the identified deficiencies. If deficiencies are not timely cured, the Cost Allocation Task Force chair is to provide the entity with written notice that it is not qualified to develop the project for which it intended to request cost allocation pursuant to Sections 2.3.2.3.2

or 2.3.2.3.3 in the Planning Cycle. An entity that fails to become a Qualified Sponsor/Qualified Developer may seek to qualify during the Submittal Window in the next Planning Cycle.

## **2.6 Cost Allocation**

### **2.6.1 Projects Eligible for Cost Allocation Consideration**

The Cost Allocation Task Force is to determine whether a cost allocation analysis is required for any Potential Cost Allocation Project identified within a Regional Combination in Section 2.4.3 and included in the Draft Regional Transmission Plan. This is to be accomplished by the Cost Allocation Task Force confirming that each such Potential Cost Allocation Project has Estimated Costs exceeding \$20 million. Such a Potential Cost Allocation Project is then referred to as a **“Project for Cost Allocation Consideration.”** Any Potential Cost Allocation Project with Estimated Costs that do not exceed \$20 million will no longer be considered for cost allocation in the Planning Cycle.

### **2.6.2 Total Project Cost and Annualized Cost of Projects for Cost Allocation Consideration**

The Cost Allocation Task Force is to determine the Total Project Cost of each Project for Cost Allocation Consideration. The Cost Allocation Task Force is also to determine the Annualized Cost of each Project for Cost Allocation Consideration as set forth in this Section 2.6.2.

#### **2.6.2.1 Annualized Cost of a Project That Is Not an ITP**

The Annualized Cost is a levelized annual cost over the life of the Project for Cost Allocation Consideration. When determining the Annualized Cost of a project that is not an ITP, the Cost Allocation Task Force shall include the following, as applicable:

- a. Estimated annualized revenue requirement of the Estimated Cost submitted pursuant to row K of Table A found in Section 2.3.2.3.5, as such may be updated pursuant to either Section 2.3.2.3.8 or 2.4.4;
- b. Estimated annualized revenue requirement of the Mitigation Cost identified in Section 2.4.3, to mitigate the Material Adverse Impact on the Neighboring Systems associated with a Project for Cost Allocation Consideration.

The estimated annualized revenue requirement for the Estimated Cost and the estimated annualized revenue requirement for the Mitigation Costs will include assumptions for annual returns (both debt and equity), depreciation, taxes other than income, operation and maintenance expenses, and income taxes. The Cost Allocation Task Force may, in its professional judgment, determine necessary adjustments to the annual revenue requirements and underlying assumptions submitted pursuant to row K of Table A in Section 2.3.2.3.5. If no revenue requirements or assumptions are submitted, the Cost Allocation Task Force is to determine, in its professional judgment, the estimated annual revenue requirements and underlying assumptions. Such adjustments or determinations are to be explained in the Draft Regional Transmission Plan.

When determining the Annualized Cost of each Project for Cost Allocation Consideration, the Cost Allocation Task Force may make adjustments to the Estimated Cost and Mitigation Cost submitted, using an industry-recognized tool, as the Cost Allocation Task Force determines, in its professional judgment, necessary. Such adjustments are to be explained in the Draft Regional Transmission Plan.

#### **2.6.2.2 Annualized Cost of an ITP**

With respect to the Annualized Cost of an ITP, the Cost Allocation Task Force shall annualize, in the manner described in Section 2.6.2.1, the Assigned Regional Costs from Interregional Cost Allocation, as determined in accordance with Section 4.7.6.

#### **2.6.3 Identify More Efficient or Cost-Effective Solutions; Documentation in Draft Regional Transmission Plan**

The Cost Allocation Task Force is to evaluate the Projects for Cost Allocation Consideration to determine whether any such projects are a more efficient or cost-effective solution to an Enrolled Party Need.

In determining whether a Project for Cost Allocation Consideration is the more efficient or cost-effective solution to an Enrolled Party Need, the Cost Allocation Task Force is to consider the following factors:

- a. Sponsorship and degree of development;
- b. Feasibility;
- c. Coordination with any affected transmission system;

- d. Economics;
- e. Effectiveness of performance;
- f. Satisfaction of an Enrolled Party's Need, including the extent to which the proposed solution satisfies multiple Enrolled Parties' Needs;
- g. Mitigation of any Material Adverse Impact of such proposed solution on any transmission system; and
- h. Consistency with applicable state, regional, and federal planning requirements and regulations.

No single factor is necessarily to be determinative in evaluating proposed solutions to address Enrolled Party(ies) Needs.

Any Project for Cost Allocation Consideration that is determined to be more efficient or cost-effective will then be incorporated within the Draft Regional Transmission Plan as an “**Eligible Cost Allocation Project.**” The Cost Allocation Task Force is to document its analysis and results in the Draft Regional Transmission Plan, including any analysis and results regarding any Project for Cost Allocation Consideration that is determined not to be the more efficient or cost-effective and thus not eligible for cost allocation.

#### **2.6.4 Benefits of An Eligible Cost Allocation Project**

The Benefits of any Eligible Cost Allocation Project are Deferred Costs, Avoided Capital Costs, and Increased Useful Available Transfer Capability directly attributable to such Eligible Cost Allocation Project. Each Benefit is described and will be evaluated as set forth below. Each Benefit is converted to a levelized annual amount and assumed to continue over the life of the Eligible Cost Allocation Project.

##### **2.6.4.1 Deferred Costs**

Deferred Costs of an Enrolled Party are a Benefit of such Enrolled Party. The Deferred Costs of an Enrolled Party for an Eligible Cost Allocation Project are the projected avoided costs of such Enrolled Party's deferred transmission facilities over the deferred period that are directly attributable to such Eligible Cost Allocation Project. Deferred Costs are to be calculated for each Enrolled Party based on the revenue requirement avoided over each year of the deferral period (i.e., annual return (both debt and equity), depreciation, taxes other than income, operation and maintenance expense, and income

taxes), and then annualized over the life of the Eligible Cost Allocation Project.

#### **2.6.4.2 Avoided Capital Costs**

Avoided Capital Costs of an Enrolled Party are a Benefit of such Enrolled Party. The Avoided Capital Costs of an Enrolled Party for an Eligible Cost Allocation Project are the avoided costs of eliminated transmission facilities for such Enrolled Party that are directly attributable to such Eligible Cost Allocation Project.

Avoided Capital Costs are to be calculated for each Enrolled Party based on the revenue requirement avoided over each year of the life of the Eligible Cost Allocation Project (i.e., annual return (both debt and equity), depreciation, taxes other than income, operation and maintenance expense, and income taxes), and then annualized over the life of the Eligible Cost Allocation Project.

#### **2.6.4.3 Increased Useful Available Transfer Capability (“ATC”)**

Increased Useful ATC of an Enrolled Party is a Benefit to such Enrolled Party. The Increased Useful ATC of an Enrolled Party for an Eligible Cost Allocation Project is the increased annual revenue from sales at cost-based rates projected to be accrued by such Enrolled Party over the life of the Eligible Cost Allocation Project due to an increase in transmission capacity on such Enrolled Party’s Transmission System, where such increase in transmission capacity is a direct result of such Eligible Cost Allocation Project. The increased annual revenue from sales includes both sales enabled by existing transmission facilities as a result of the Eligible Cost Allocation Project and sales revenue from the Eligible Cost Allocation Project. The Qualified Sponsor(s)/Qualified Developer(s) of such Eligible Cost Allocation Project and other Enrolled Parties projected to receive increased sales revenue as a result of the Eligible Cost Allocation Project each may receive a Benefit.

#### **2.6.5 Allocation of Total Project Cost to Enrolled Party Beneficiaries**

The Cost Allocation Task Force is to identify the Enrolled Party Beneficiaries of each Eligible Cost Allocation Project, evaluate the Benefit-to-Cost Ratio of each Eligible Cost Allocation Project, and, if the Benefit-to-Cost Ratio is satisfied, allocate the Total Project Cost of each Eligible Cost Allocation Project to the Enrolled Party Beneficiaries of each Eligible Cost Allocation Project.

### 2.6.5.1 Identification of Enrolled Party Beneficiaries

For each Eligible Cost Allocation Project, the Cost Allocation Task Force is to identify the Enrolled Parties that have a Benefit pursuant to Sections 2.6.4.1, 2.6.4.2, and/or 2.6.4.3 directly attributable to such Eligible Cost Allocation Project (each Enrolled Party that has a Benefit is referred to as an “Enrolled Party Beneficiary”).

### 2.6.5.2 Evaluation of Benefit-to-Cost Ratio; Documentation in Draft Regional Transmission Plan

The Cost Allocation Task Force is to calculate the Benefit-to-Cost Ratio of each Eligible Cost Allocation Project by summing the Benefits (annualized) identified in Sections 2.6.4.1, 2.6.4.2, and 2.6.4.3 for all Enrolled Party Beneficiaries as determined in Section 2.6.5.1 and dividing that sum by the Annualized Cost of such Eligible Cost Allocation Project as determined in Section 2.6.2.1 or 2.6.2.2, as applicable. If the Benefit-to-Cost Ratio calculated for the Eligible Cost Allocation Project is greater than or equal to 1.25, such a project is a “Preliminary Cost Allocation Project.” In the event that the Benefit-to-Cost Ratio for the Eligible for Cost Allocation Project is less than 1.25, the project is no longer eligible for cost allocation. The Cost Allocation Task Force is to incorporate the results into the Draft Regional Transmission Plan and document the reasons for its decisions.

#### Example 1: Application of Benefit-to-Cost Ratio (for illustrative purposes only)

Annualized Cost of Eligible Cost Allocation Project	=	\$100M
Beneficiary A’s Annualized Benefits	=	\$60M
Beneficiary B’s Annualized Benefits	=	\$50M
Beneficiary C’s Annualized Benefits (Beneficiary C is the Sponsor)	=	\$90M
Total benefits	=	\$200M

In this example, the Benefit-to-Cost Ratio exceeds 1.25 and, therefore, the Eligible Cost Allocation Project becomes classified as a “Preliminary Cost Allocation Project.”

### 2.6.5.3 Allocation of Total Project Cost to Enrolled Party Beneficiaries

The Cost Allocation Task Force is to calculate the allocation of the Total Project Cost of each Preliminary Cost Allocation Project to each Enrolled Party Beneficiary of such Preliminary Cost Allocation Project. The Total Project Cost of each Preliminary Cost Allocation Project (less any amount voluntarily accepted by a Person pursuant to Section 2.6.5.4) shall be allocated to each Enrolled Party Beneficiary of such Preliminary Cost Allocation Project based upon the Benefits (in dollars) applicable to each such Enrolled Party Beneficiary divided by the total Benefits (in dollars) applicable to all Enrolled Party Beneficiaries of such Preliminary Cost Allocation Project with that result multiplied by the Total Project Cost of the Preliminary Cost Allocation Project as expressed in the Formula 1 (the “**Cost Allocation Methodology**”). The Cost Allocation Task Force shall, as soon as practical, provide each Enrolled Party Beneficiary with the results from its application of the Cost Allocation Methodology for any Preliminary Cost Allocation Project.

#### **Formula 1: Allocation of Total Project Cost to Enrolled Party Beneficiaries**

$$D = (B / C) A$$

Where, for a Preliminary Cost Allocation Project:

“A” equals the Total Project Cost of the Preliminary Cost Allocation Project as determined in Section 2.6.2.1 (less any amount accepted by a Person pursuant to Section 2.6.5.4).

“B” equals the dollar amount of Benefits identified in Sections 2.6.4.1, 2.6.4.2, and 2.6.4.3 for a specific Enrolled Party Beneficiary.

“C” equals the dollar amount of the sum of Benefits calculated in Sections 2.6.4.1, 2.6.4.2, and 2.6.4.3 for all Enrolled Party Beneficiaries.

“D” equals the dollar amount of the Total Project Cost of the Preliminary Cost Allocation Project to be allocated to the specific Enrolled Party Beneficiary for which “B” applies.

This formula is to be applied to each Enrolled Party Beneficiary of the Preliminary Cost Allocation Project.

**Example 2: Allocation of Total Project Cost  
to Enrolled Party Beneficiaries  
(for illustrative purposes only)**

Example 2 builds upon the facts described in Example 1 above, and allocates the Preliminary Cost Allocation Project's \$100M costs to each Enrolled Party Beneficiary as follows:

Enrolled Party Beneficiary A:  $(\$60M/\$200M) \$100M = \$30M$

Enrolled Party Beneficiary B:  $(\$50M/\$200M) \$100M = \$25M$

Enrolled Party Beneficiary C:  $(\$90M/\$200M) \$100M = \$45M$

Total = \$100M

#### **2.6.5.4 Acceptance of Total Project Cost; Removal from Cost Allocation**

Upon receipt of the results of the Cost Allocation Task Force's application of the Cost Allocation Methodology to a Sponsored Preliminary Cost Allocation Project pursuant to Section 2.6.5.3 and prior to the Cost Allocation Task Force transmitting its results to the Planning Committee for inclusion in the Draft Regional Transmission Plan, the Enrolled Parties shall have thirty (30) calendar days to arrange participant funding for the Preliminary Cost Allocation Project (the "**Negotiation Period**"). On or before the conclusion of the Negotiation Period, the Project Sponsor shall notify the Cost Allocation Task Force of its election to proceed based upon one of the following three options:

- a. **Continue with Cost Allocation**—whereby the Cost Allocation Task Force is to proceed with notifying the Planning Committee of the results of its cost allocation.
- b. **Hybrid Allocation**—whereby the Project Sponsor includes with its notice of election a writing signed by one or more Persons (excluding Beneficiaries) agreeing to accept a specific allocation of the Total Project Cost of

a Preliminary Cost Allocation Project  
(“**Voluntary Allocation**”).

- c. **Withdrawal**—whereby the Project Sponsor voluntarily withdraws its request for cost allocation of the Preliminary Cost Allocation Project in the Planning Cycle.

In the event the “Continue with Cost Allocation” option is selected, the Cost Allocation Task Force shall provide the Planning Committee with the results of its cost allocation.

In the event the “Hybrid Allocation” option is selected, the Cost Allocation Task Force shall subtract the amount of Voluntary Allocation from the Total Project Cost of the Preliminary Cost Allocation Project. The Cost Allocation Task Force shall then allocate the remainder of the Total Project Cost of the Preliminary Cost Allocation Project to the Beneficiaries in accordance with the methodology set forth in Section 2.6.5.3 and provide the Planning Committee with the results of its cost allocation that takes into account the Voluntary Allocation.

In the event the “Withdrawal” option is selected, the Cost Allocation Task Force shall notify the Planning Committee that the Project Sponsor has withdrawn its request for cost allocation.

#### **2.6.5.5 Results from Cost Allocation Methodology; Documentation in Draft Final Regional Transmission Plan**

Unless a Preliminary Cost Allocation Project is removed from cost allocation consideration, the Cost Allocation Task Force is to select only Qualified Developer submitted Preliminary Cost Allocation Projects submitted for purposes of cost allocation (“**Cost Allocation Project**”) and incorporate the results from its application of the Cost Allocation Methodology for such Cost Allocation Project in the Draft Final Regional Transmission Plan. The Cost Allocation Task Force is to post such results on the NorthernGrid Website and post notice of, and hold, a public meeting in accordance with the Cost Allocation Task Force Charter to review the results. The Cost Allocation Task Force will then incorporate and document any comments received and the analysis, rationale, and results associated with the Qualified Developer’s submitted Preliminary Cost Allocation Projects and the conclusion of any negotiation efforts,

into the Draft Final Regional Transmission Plan and document the reasons for the decisions made.

### **2.6.6 Exclusions**

Projects undertaken in connection with requests for interconnection or transmission service under this Tariff will be governed solely by the provisions of the Tariff applicable to such requests for interconnection or transmission service.

## **2.7 Regional Transmission Plan**

### **2.7.1 Preparation and Posting of Draft Final Regional Transmission Plan**

The Enrolled Parties Planning Committee is to post a Draft Final Regional Transmission Plan by the end of the last September in the Regional Transmission Planning Cycle. The Draft Final Regional Transmission Plan is to include:

- i. A list of each Cost Allocation Project along with the results of the application of the Cost Allocation Methodology for such Cost Allocation Project, including identification of each Enrolled Party Beneficiary, the share of the Total Project Cost allocated to each such Enrolled Party Beneficiary, and the Benefits identified for each such Enrolled Party Beneficiary;
- ii. Whether, and, if so, the extent to which any other Person voluntarily assumed costs of any Cost Allocation Project;
- iii. A list of any ITP(s) for which joint evaluation has been requested; and
- iv. A list of any projects listed as Cost Allocation Projects in the prior Regional Transmission Plan that, in accordance with Section 2.3.2.3.8, will not be included in the current Regional Transmission Plan as a Cost Allocation Project.

### **2.7.2 Review and Comment; Consideration of Comments; Update Draft Final Regional Transmission Plan; Regional Transmission Plan**

Upon development of the Draft Final Regional Transmission Plan, the Enrolled Parties Planning Committee is to post the Draft Final Regional Transmission Plan on the NorthernGrid Website. Thereafter, the Enrolled Parties Planning Committee is to schedule a public meeting to present the Draft Final Regional

Transmission Plan and solicit comments from stakeholders and the Enrolled Parties and States Committee. NorthernGrid is to post the Draft Final Regional Transmission Plan and notice of the public meeting on the NorthernGrid Website at least seven (7) calendar days in advance of such meeting.

Stakeholders and the Enrolled Parties and States Committee have fifteen (15) calendar days following the meeting to submit written comments on the Draft Final Regional Transmission Plan. NorthernGrid is to:

- a. Post any written comments received;
- b. Post any responses to written comments within fifteen (15) calendar days after the comment period closes; provided that the chair of the Enrolled Parties Planning Committee may extend the time for posting such responses to the extent necessary to allow time to consider and respond adequately;
- c. Make modifications in response to comments received, as the Enrolled Parties Planning Committee deems appropriate, to the Draft Final Regional Transmission Plan; and
- d. Cause the Final Regional Transmission Plan developed through the processes outlined in this Attachment K to be issued.

### **SECTION 3 Long-Term Regional Transmission Planning Process**

#### **3.1 Introduction**

NorthernGrid is to develop a Long-Term Regional Transmission Plan for each Long-Term Regional Transmission Planning Cycle as described in this Attachment K. Each Long-Term Regional Transmission Planning Cycle considers a twenty-year planning horizon. The first Long-Term Regional Transmission Planning Cycle shall commence on January 1, 2028, which is (i) the first day of a Regional Transmission Planning Cycle and (ii) no later than two years after the date the initial Order No. 1920 compliance filing was due, consistent with Order No. 1920-A. All Long-Term Transmission Needs identification, evaluation of benefits, selection of Long-Term Regional Transmission Facilities, and Long-Term Regional Transmission Cost Allocation shall be performed over the Long-Term Regional Transmission Planning Cycle. The Long-Term Regional Transmission Plan is not intended to be a construction plan; however, the Long-Term Regional Transmission Plan is intended to identify Long-Term Transmission Needs, identify transmission facilities that meet such needs, measure the benefits of those transmission facilities, and evaluate those transmission facilities for potential selection in

the regional transmission plan for purposes of cost allocation as the more efficient or cost-effective regional transmission facilities to meet Long-Term Transmission Needs.

Within three (3) years of the first day of a Long-Term Regional Transmission Planning Cycle (the “**Commencement Date**”), the Enrolled Parties Planning Committee shall (i) complete the development of the Long-Term Scenarios, (ii) perform at least one (1) sensitivity analysis for each Long-Term Scenario, (iii) identify Long-Term Transmission Needs in accordance with Section 3.3.5, if any, (iv) measure the benefits of Long-Term Regional Transmission Facilities; and (v) potentially select the Long-Term Regional Transmission Facilities for Cost Allocation. The Cost Allocation Task Force will apply the Long-Term Regional Transmission Cost Allocation Method.

The Long-Term Transmission Planning process identifies Long-Term Transmission Needs of Enrolled Parties. It does not identify needs of entities, including Non-Jurisdictional Entities, not enrolled in the NorthernGrid Enrolled Region or that have not otherwise agreed to be subject, consistent with this Attachment K, to the cost allocation requirements applicable to selected Long-Term Regional Transmission Facilities.

### **3.2 Participation and Information Access for the Long-Term Regional Transmission Plan**

Any Person who is eligible to participate and access information under Section 2 of the Regional Transmission Planning process will also be eligible to participate in the Long-Term Regional Transmission Planning process.

### **3.3 Scenario Development, Data Gathering, and Study Scope Inputs for the Long-Term Regional Transmission Plan**

#### **3.3.1 Responsibility**

The Transmission Provider shall develop no fewer than three (3) Long-Term Scenarios for each Long-Term Regional Transmission Planning Cycle. Each Long-Term Scenario shall be Plausible and Diverse, developed using the required Factor Categories and Best Available Data Inputs, and shall reflect a range of potential future transmission system conditions over the Long-Term Regional Transmission Planning Horizon.

The Enrolled Parties Planning Committee is to gather data to prepare and develop no fewer than three (3) Long-Term Scenarios and a draft Study Scope to perform certain evaluations as set forth in this Attachment K.

### **3.3.2 Data Gathering for the Long-Term Regional Transmission Plan**

#### **3.3.2.1 General from Relevant State Entities and Stakeholders**

Any Relevant State Entity or stakeholder may submit data, including data to reflect factors incorporated into Long-Term Scenarios used to identify Long-Term Transmission Needs. Any Relevant State Entity or stakeholder may also submit projects for evaluation as part of the preparation of the Draft Long-Term Regional Transmission Plan to address Enrolled Party Long-Term Transmission Needs. A Relevant State Entity or stakeholder shall use the Data Submittal Form to submit data and may use Table A, in Section 2.3.2.3.5, as guidance for the types of data to be submitted. Relevant State Entities and stakeholders shall submit such data to NorthernGrid consistent with the instructions available on the NorthernGrid Website, within the Submittal Window. Relevant State Entities and stakeholders may also submit such data to NorthernGrid consistent with the instructions available on the NorthernGrid Website within the sixty (60) day time period for submitting additional information under Section 2.4.2. Untimely submissions will not be considered.

#### **3.3.2.2 Enrolled Party Information for the Long-Term Regional Transmission Plan**

Each Enrolled Party is to submit the types of data specified in Section 2.3.2.2 (Enrolled Party Information for the Regional Transmission Plan) applicable to the Long-Term Regional Transmission Planning Horizon to NorthernGrid, as well as its In-Kind Replacement Estimate, within the Submittal Window.

#### **3.3.2.3 Proposing a Project**

##### **3.3.2.3.1 New Sponsored Projects**

The Enrolled Parties/Enrolled Parties Planning Committee shall follow the procedures in Section 2.3.2.3.1. For this Section, any reference to Regional Transmission in Section 2.3.2.3.1 shall be considered as Long-Term Regional Transmission.

##### **3.3.2.3.2 Request for Cost Allocation - Sponsored Project**

The Enrolled Parties/Enrolled Parties Planning Committee shall follow the procedures in Section 2.3.2.3.2 for qualifying to request cost

allocation. For this Section, any reference to Regional Transmission in Section 2.3.2.3.2 shall be considered as Long-Term Regional Transmission.

**3.3.2.3.3 Request for Cost Allocation - Unsponsored Project**

The Enrolled Parties/Enrolled Parties Planning Committee shall follow the procedures in Section 2.3.2.3.3 for qualifying to request cost allocation. For this Section, any reference to Regional Transmission in Section 2.3.2.3.3 shall be considered as Long-Term Regional Transmission.

**3.3.2.3.4 Merchant Transmission Projects**

The Enrolled Parties/Enrolled Parties Planning Committee shall follow the procedures in Section 2.3.2.3.4. For this Section, any reference to Regional Transmission in Section 2.3.2.3.4 shall be considered as Long-Term Regional Transmission.

**3.3.2.3.5 Minimum Data Submittal Requirements**

The Enrolled Parties/Enrolled Parties Planning Committee shall follow the procedures in Section 2.3.2.3.5. For this Section, any reference to Regional Transmission in Section 2.3.2.3.5 shall be considered as Long-Term Regional Transmission.

**3.3.2.3.6 Additional Information about Potential Cost Allocation Projects**

The Enrolled Parties/Enrolled Parties Planning Committee shall follow the procedures in Section 2.3.2.3.6. For this Section, any reference to Regional Transmission in Section 2.3.2.3.6 shall be considered as Long-Term Regional Transmission.

**3.3.2.3.7 Submitting and Updating Sponsored Projects (not including Cost Allocation Projects) Included in the Prior Long-Term Regional Transmission Plan**

The Enrolled Parties/Enrolled Parties Planning Committee shall follow the procedures in Section 2.3.2.3.7. For this Section, any reference to

Regional Transmission in Section 2.3.2.3.7 shall be considered as Long-Term Regional Transmission.

#### **3.3.2.3.8 Updating Previous Cost Allocation Projects Included in the Prior Long-Term Regional Transmission Plan**

The Enrolled Parties/Enrolled Parties Planning Committee shall follow the procedures in Section 2.3.2.3.8. For this Section, any reference to Regional Transmission in Section 2.3.2.3.8 shall be considered as Long-Term Regional Transmission.

#### **3.3.2.4 Submittal Form and Due Date**

The Enrolled Parties/Enrolled Parties Planning Committee shall follow the procedures in Section 2.3.2.4. For this Section, any reference to Regional Transmission in Section 2.3.2.4 shall be considered as Long-Term Regional Transmission.

#### **3.3.2.5 Use of Submitted Information**

The Enrolled Parties/Enrolled Parties Planning Committee shall follow the procedures in Section 2.3.2.5. For this Section, any reference to Regional Transmission in Section 2.3.2.5 shall be considered as Long-Term Regional Transmission.

### **3.3.3 Review of Submitted Information**

The Enrolled Parties/Enrolled Parties Planning Committee shall follow the procedures in Section 2.3.3. For this Section, any reference to Regional Transmission in Section 2.3.3 shall be considered as Long-Term Regional Transmission.

### **3.3.4 Untimely or Improperly Submitted Requests or Submittals of Information**

The Enrolled Parties/Enrolled Parties Planning Committee shall follow the procedures in Section 2.3.4. For this Section, any reference to Regional Transmission in Section 2.3.4 shall be considered as Long-Term Regional Transmission.

### **3.3.5 Long-Term Scenario Development**

In accordance with this Section, the Enrolled Parties Planning Committee shall develop Long-Term Scenarios to be included in the NorthernGrid Long-Term Regional Transmission Plan. The Enrolled Parties Planning Committee shall use

the Long-Term Scenarios to identify Long-Term Transmission Needs and to enable the identification, evaluation, and potential selection of Long-Term Regional Transmission Facilities that would meet those needs. In developing the Long-Term Scenarios, the Enrolled Parties Planning Committee shall adhere to the following six (6) transmission planning principles: coordination, openness, transparency, information exchange, comparability, and dispute resolution.

### **3.3.5.1 Best Available Data Inputs for Long-Term Scenarios**

In developing the Long-Term Scenarios, the Enrolled Parties Planning Committee shall use best practices to determine the Best Available Data Inputs necessary for their development. The Enrolled Parties Planning Committee will use Best Available Data Inputs to determine whether each factor in a Factor Category, as set forth in Section 3.3.5.2, is likely to affect Long-Term Transmission Needs. If the Enrolled Parties Planning Committee determines that a factor is likely to impact Long-Term Transmission Needs, it shall use the best available data when it accounts for that factor in the development of Long-Term Scenarios. Through the process set forth in Section 3.3.5.4, Relevant State Entities and stakeholders shall have an opportunity to provide timely and meaningful input on the Best Available Data Inputs used in developing the Long-Term Scenarios.

### **3.3.5.2 Factor Categories to be Used in Long-Term Scenarios**

The Enrolled Parties Planning Committee shall identify and decide how to account for factors that it determines are likely to affect Long-Term Transmission Needs in the development of the Long-Term Scenarios. The Enrolled Parties Planning Committee shall, at a minimum, use the following categories of factors, individually or collectively, in the development of the Long-Term Scenarios:

**Factor Category 1:** Federal, Federally-Recognized Tribal, state, and local laws and regulations affecting the resource mix and demand.

Factor Category 1 includes, among other things, legally binding obligations, incentives (e.g., tax credits), and/or restrictions promulgated by policymakers that will affect new or existing generators, or demand.

**Factor Category 2:** Federal, Federally-Recognized Tribal, state, and local laws and regulations on decarbonization and electrification.

Factor Category 2 includes legally binding obligations, incentives, and/or restrictions that affect Long-Term Transmission Needs in different ways than Factor Category 1.

**Factor Category 3:** State-Approved Integrated Resource Plans and expected supply obligations for load-serving entities.

**Factor Category 4:** Trends in fuel costs and in the cost, performance, and availability of generation, electric storage resources, and building and transportation electrification technologies.

Factor Category 4 may include, but is not limited to, cost and technology trends for:

- (i) utility-scale generation construction costs for different generating technologies;
- (ii) distributed energy resources;
- (iii) storage technologies with differing duration limitations;
- (iv) carbon capture and sequestration;
- (v) small modular nuclear;
- (vi) light-, medium-, and heavy-duty electric vehicles and electric vehicle supply equipment; and
- (vii) ground- and air-source heat pumps.

**Factor Category 5:** Resource retirements.

Factor Category 5 includes publicly announced resource retirements and those that have not been publicly announced but might occur over the transmission planning

horizon. These expected retirements may be accounted for by considering publicly available information, such as generating facility ages, emissions profiles, projected costs and revenues, and any applicable laws and regulations that may affect a generating facility's continued operation over the transmission planning horizon.

**Factor Category 6:** Generator interconnection requests and withdrawals.

**Factor Category 7:** Utility commitments and federal, Federally-Recognized Tribal, state, and local policy goals that affect Long-Term Transmission Needs. For purposes of this Factor Category 7, utility commitments and Federally-Recognized Tribal policy goals are publicly announced utility commitments and publicly announced Federally-Recognized Tribal policy recommendations, such as energy vision reports. Consistent with Order No. 1920-A, this Factor Category 7 does not include corporate commitments.

In the development of the Long-Term Scenarios, the Enrolled Parties Planning Committee will provide Relevant State Entities and stakeholders with an opportunity, through an open and transparent process set forth in Section 3.3.5.4, to comment on the factors and their impact on Long-Term Transmission Needs. The Enrolled Parties Planning Committee may exercise its discretion not to account for a factor if that factor is unlikely to affect Long-Term Transmission Needs. Where factors have overlapping effects, the Enrolled Parties Planning Committee shall avoid double-counting the effects those factors have on planning assumptions. The Enrolled Parties Planning Committee may exceed the minimum requirements of factors in the development of Long-Term Scenarios, provided that each Long-Term Scenario remains plausible. Notwithstanding the foregoing, the Enrolled Parties Planning Committee shall have the discretion regarding how to account for specific factors in the development of Long-Term Scenarios (e.g., the method and data used to forecast resource retirements, or, potentially, energy equity and justice laws and regulations) and how to vary the treatment of each Factor Category across Long-Term Scenarios (e.g., assume all

forecasted resource retirements materialize in some but not all Long-Term Scenarios) to the extent any of the above factors directly impacts Transmission Provider's system.

In developing Long-Term Scenarios, the Enrolled Parties Planning Committee shall assume that legally binding obligations (i.e., federal, Federally-Recognized Tribal Laws and Regulations, state, and local laws and regulations) are followed, State-Approved Integrated Resource Plans are followed, and expected supply obligations for load-serving entities are fully met. That is, once the Enrolled Parties Planning Committee has determined a factor in the first three Factor Categories affects Long-Term Transmission Needs, it shall account for and be consistent with, and shall not discount such a factor in Factor Categories 1-3. The Enrolled Parties Planning Committee may rely on the open and transparent stakeholder process in accordance with Section 3.3.5.4 to identify the factors in Factor Categories 1-3 and may, but is not required to, independently identify all of the factors in Factor Categories 1-3.

The Enrolled Parties Planning Committee shall consider, but have additional discretion, on how to account for the effects of Factor Categories 4-7. Due to the uncertainty in Factor Categories 4 through 7, the Enrolled Parties Planning Committee may choose to discount, or place less weight on, the effect that a factor in these categories has on Long-Term Transmission Needs when developing Long-Term Scenarios. The Enrolled Parties Planning Committee may use either or both the facility-by-facility and portfolio approaches to measure Long-Term Regional Transmission Facilities within the same Long-Term Regional Transmission Planning Cycle.

### **3.3.5.3 Development of Long-Term Scenarios**

For each Long-Term Regional Transmission Planning Cycle, the Enrolled Parties Planning Committee shall:

- (i) Develop at least three (3) distinct Plausible and Diverse Long-Term Scenarios that:
  - (a) Incorporates various assumptions, using Best Available Data Inputs, about the future electric power system over a transmission planning horizon of no less than twenty (20) years following the start of a Long-Term Regional Transmission Planning Cycle;

- (b) Considers the seven (7) Factor Categories as listed in Section 3.3.5.2;
  - (c) For states that have required State-Approved Integrated Resource Plan processes, includes one of the state's preferred power system trajectories, including both the supply and demand side resource trajectory as appropriate; and
  - (d) May include a base case Long-Term Scenario as one of the Long-Term Scenarios required by this Section if the Enrolled Parties Planning Committee determines it is the most likely scenario to occur.
- (ii) Perform at least one (1) sensitivity analysis that will be applied to each Long-Term Scenario to account for uncertain operational outcomes that determine the benefits of and/or need for transmission facilities during multiple concurrent and sustained generation and/or transmission outages due to an extreme weather event across a wide area. Additional sensitivity analyses may be considered for other high-impact, infrequent event conditions.
  - (iii) Conclude the Long-Term Regional Planning Cycle before developing the Long-Term Scenarios for the next Long-Term Regional Planning Cycle.

#### **3.3.5.4 Stakeholder Process for Long-Term Scenarios**

Upon the development of Long-Term Scenarios pursuant to Section 3.3.5, the Enrolled Parties Planning Committee, consistent with the transparency transmission planning principle, will follow the Long-Term Scenario stakeholder process outlined below (subject to applicable confidentiality procedures of NorthernGrid and/or the Enrolled Party(ies) with respect to non-public information).

- (i) Notify Relevant State Entities and any other entity authorized by a Relevant State Entity as its representative of the proposed Long-Term Scenarios and solicit their consultation on whether a specific state policy must be accounted for as a factor within each category (i.e., if the specific state policy will likely affect Long-Term Transmission Needs), rely on the state regarding how to account for the specific state policy in the development of Long-Term Scenarios (e.g., the

method and data used to forecast generation resources added because of a specific state policy), and how to adjust the treatment of the specific state policy across Long-Term Scenarios (e.g., assume certain policy-related outcomes materialize in some but not all Long-Term Scenarios).

- (ii) Publish proposed Long-Term Scenarios, including Factor Categories and Best Available Data Inputs underlying each proposed Long-Term Scenario, including an identification of the methodology, criteria, assumptions, and data regarding factors and Factor Categories, to the NorthernGrid Website. Notify Relevant State Entities of the proposed Long-Term Scenarios and solicit their consultation on incorporating applicable laws, policies, and regulations into the Factor Categories.
- (iii) Post notice of a public meeting at least seven (7) calendar days before such a meeting.
- (iv) Host the public meeting to discuss the proposed Long-Term Scenarios and open a stakeholder comment window for fifteen (15) calendar days following the public meeting. Stakeholders have the opportunity to propose potential factors, provide information, and identify sources of Best Available Data, propose how a factor may affect Long-Term Transmission Needs, and explain how that factor could be reflected in the development of Long-Term Scenarios, including the extent to which it is appropriate to discount the effects of certain factors on Long-Term Transmission Needs.
- (v) Post written comments received and responses to written comments within fifteen (15) calendar days after the comment period closes on the NorthernGrid Website.
- (vi) Develop and post the draft Long-Term Scenarios to the NorthernGrid Website. The Enrolled Parties Planning Committee will publish:
  - (a) The list of the factors in each of the seven (7) required Factor Categories that the Enrolled Parties Planning Committee will account for in the Long-Term Scenarios;

- (b) A description of each factor that the Enrolled Parties Planning Committee will account for in their Long-Term Scenarios;
  - (c) A general statement explaining how the Enrolled Parties Planning Committee will account for each of those factors in their Long-Term Scenarios;
  - (d) A description of the extent to which the Enrolled Parties Planning Committee will discount any factors in Factor Categories Four through Seven in each Long-Term Scenario; and
  - (e) A list of the factors that the Enrolled Parties Planning Committee considered but did not incorporate in the Long-Term Scenarios.
- (vii) Post notice of a public meeting at least seven (7) calendar days prior to such a meeting.
  - (viii) Host the meeting to discuss the draft Long-Term Scenarios and open a stakeholder comment window for fifteen (15) calendar days following the public meeting.
  - (ix) Post any written comments received and post any responses to written comments within fifteen (15) calendar days after the comment period closes on the NorthernGrid Website.
  - (x) The Enrolled Parties Planning Committee may modify the draft Long-Term Scenarios, as it deems appropriate, and shall post the final Long-Term Scenarios to the NorthernGrid Website.

The chair of the Enrolled Parties Planning Committee may allow additional time as necessary to adequately consider and respond to written comments or to evaluate additional Long-Term Scenarios.

### **3.3.5.5 Reassessment and Revision of Long-Term Scenarios**

#### **3.3.5.5.1 Mandatory Reassessment at the Onset of Each Cycle**

At the onset of each Long-Term Regional Transmission Planning Cycle, the Enrolled Parties Planning Committee shall reassess the Long-Term Scenarios developed in the prior Long-Term Regional

Transmission Planning Cycle. The reassessment shall consider whether, and to what extent, the Best Available Data Inputs and the Factor Categories accounted for in the prior Long-Term Scenarios remain current or require updating to reflect the Best Available Data Inputs and Factor Categories applicable at the time of the reassessment.

#### **3.3.5.5.2 Revision as Necessary**

Based on the reassessment under Section 3.3.5.5.1, the Enrolled Parties Planning Committee shall revise the prior Long-Term Scenarios as necessary to reflect the Best Available Data Inputs and Factor Categories then applicable. The Enrolled Parties Planning Committee retains discretion over the scope and extent of revisions, including whether to update the prior Long-Term Scenarios or to replace them with new Long-Term Scenarios, subject to the requirements in Sections 3.3.5.1 through 3.3.5.3.

#### **3.3.5.5.3 Documentation of Reassessment**

The Enrolled Parties Planning Committee shall document the results of the reassessment under Section 3.3.5.5.1 in writing, including (i) a description of the reassessment conducted; (ii) identification of the Best Available Data Inputs and Factor Categories reviewed; (iii) the revisions, if any, that the Enrolled Parties Planning Committee has determined to make; and (iv) for any Best Available Data Input or Factor Category not revised, a brief statement of the basis for the determination that no revision is required. The documentation shall be posted on the public portion of the NorthernGrid Website together with the draft Long-Term Scenarios under Section 3.3.5.4.

#### **3.3.5.5.4 Stakeholder and Relevant State Entity Input on Reassessed Scenarios**

Upon completion of the reassessment and any resulting revisions under this Section 3.3.5.5, the Enrolled Parties Planning Committee shall solicit stakeholder input on the reassessed Long-Term Scenarios in accordance with

Section 3.3.5.4. For this purpose, the reassessed Long-Term Scenarios shall be treated as proposed Long-Term Scenarios under Section 3.3.5.4, and the consultation with Relevant State Entities required by Section 3.3.5.4(i) and (ii) and the documentation requirements of Section 3.3.5.4(vii) shall apply.

### **3.3.5.6 Additional Scenarios Requested by Relevant State Entities**

If Relevant State Entities request a reasonable number of additional scenarios to inform their consideration of cost allocation methods, Enrolled Parties shall develop those additional scenarios. Requests for additional scenarios will be accepted in the first quarter of the fourth year of the Long-Term Regional Planning Cycle. Additional scenarios that do not meet Order No. 1920's Long-Term Scenario requirements may not be used by the Enrolled Parties to: (1) identify Long-Term Transmission Needs; (2) identify Long-Term Regional Transmission Facilities; (3) to meet the requirement that transmission providers estimate the costs and measure the benefits of Long-Term Regional Transmission Facilities for purposes of selection; or (4) condition the selection of a Long-Term Regional Transmission Facility on the information provided in such additional scenarios.

## **3.4 Development of Draft Long-Term Regional Transmission Plan**

### **3.4.1 Study Scope Development**

The draft Study Scope for the Long-Term Regional Transmission Plan shall be developed consistent with Section 2.4.1, with the following modifications/changes:

- (i) Qualifying Interconnection Facilities are not a component of the Long-Term Regional Transmission Plan Study Scope.
- (ii) Right-Sizing is a part of the Long-Term Regional Transmission Plan Study Scope, which is described in Section 3.4.4.

### **3.4.2 Review and Comment; Consideration of Comments; Update Study Scope**

Upon completion of the development of the draft Study Scope for the Long-Term Regional Transmission Plan, the Enrolled Parties Planning Committee shall follow the procedures in Section 2.4.2 for reviewing the plan and soliciting

comments. For purposes of this Section, any reference to Draft Regional Transmission Plan in Section 2.4.2 shall be considered as Draft Long-Term Regional Transmission Plan.

### **3.4.3 Required Benefits for Long-Term Regional Transmission Facilities to Be Measured Under Each Long-Term Scenario**

The Enrolled Parties Planning Committee shall use and measure the following benefits (“**Required Benefits**”) for each Long-Term Regional Transmission Facility under each Long-Term Scenario as part of Long-Term Regional Transmission Planning. The Enrolled Parties Planning Committee may measure and use additional benefits beyond those included below, consistent with Order No. 890, Order No. 1000, and Order No. 1920 transmission planning principles. A Long-Term Regional Transmission Facility’s benefits shall be measured for twenty (20) years from the facility’s estimated in-service date. The Enrolled Parties Planning Committee shall evaluate facilities for potential selection into the Long-Term Regional Transmission Plan using the Required Benefits:

**Required Benefit 1: Avoided or deferred reliability transmission facilities and aging transmission infrastructure replacement**

Required Benefit 1 is described as the reduced costs due to avoided or delayed transmission investment otherwise required to address reliability needs or replace aging transmission facilities.

Required Benefit 1 will measure the investment cost of the avoided or deferred reliability transmission facilities and aging transmission infrastructure replacement compared to the investment cost of the Long-Term Regional Transmission Facility(ies) that could be implemented to avoid or defer these investments.

**Required Benefit 2: This Required Benefit is characterized and measured as either:**

**(i) Required Benefit 2(a) Reduced Loss of Load Probability**

Required Benefit 2(a) is described as a reduced loss-of-load probability for resource adequacy planning, which typically includes consideration of normal system conditions.

Required Benefit 2(a) will measure the reduction in capital costs or avoided costs needed to meet a loss of load probability target with and without a Long-Term Regional Transmission Facility(ies).

**(ii) Required Benefit 2(b) Reduced Planning Reserve Margin**

Required Benefit 2(b) is described as the reduction in capital costs of generation needed to meet resource adequacy requirements (i.e., planning reserve margins) while holding loss of load probability constant.

Required Benefit 2(b) will measure the reduction in capital costs or avoided costs needed to meet the planning reserve margin, with and without a Long-Term Regional Transmission Facility(ies).

The Enrolled Parties Planning Committee will determine which of Required Benefit 2(a) and Required Benefit 2(b) will be measured at the start of each Long-Term Regional Transmission Planning Cycle.

**Required Benefit 3: Production cost savings**

Required Benefit 3 is described as savings in fuel and other variable operating costs of power generation that are realized when transmission facilities enable the displacement of higher-cost supplies through increased dispatch of suppliers with lower incremental production costs, as well as a reduction in market prices as lower-cost suppliers set market-clearing prices.

Required Benefit 3 will be measured using production cost modeling simulations to compare production costs with and without a Long-Term Regional Transmission Facility(ies).

**Required Benefit 4: Reduced transmission energy losses**

Required Benefit 4 is described as the reduced total energy necessary to meet demand, resulting from

reduced energy losses incurred during the transmission of power from generation to loads.

Required Benefit 4 will measure energy losses and the amount of total energy with and without a Long-Term Regional Transmission Facility(ies).

**Required Benefit 5: Reduced congestion due to transmission outages**

Required Benefit 5 is described as reduced production costs resulting from avoided congestion during transmission outages. Such benefits include reduced production costs during transmission outages that significantly increase transmission congestion.

Required Benefit 5 will be measured using production cost modeling simulations to compare congestion costs during outage conditions, with and without a Long-Term Regional Transmission Facility(ies).

**Required Benefit 6: Mitigation of extreme weather events and unexpected system conditions**

Required Benefit 6 is described as reduced production costs and reduced loss of load (or emergency procurements necessary to support the system), including due to increased Interregional Transfer Capability, during extreme weather events and unexpected system conditions, such as unusual weather conditions or fuel shortages that result in multiple concurrent and sustained generation and/or transmission outages.

Required Benefit 6 will measure production costs, loss of load, and Interregional Transfer Capability during extreme weather events and unexpected system conditions resulting in outages with and without a Long-Term Regional Transmission Facility(ies).

**Required Benefit 7: Capacity cost benefits from reduced peak energy losses**

Required Benefit 7 is described as reduced investment in generation capacity needed to meet peak load.

Required Benefit 7 will measure the reduced resource capital costs resulting from the reduction in peak hour energy loss with and without a Long-Term Regional Transmission Facility(ies).

#### 3.4.4 Analysis and Evaluation of Long-Term Regional Transmission Facilities

The Enrolled Parties Planning Committee shall conduct the evaluation process and apply the selection criteria described below to ensure the opportunity exists to select in the Long-Term Regional Transmission Plan any individual Long-Term Regional Transmission Facilities or portfolios of Long-Term Regional Transmission Facilities that more efficiently or cost-effectively meet Long-Term Transmission Needs. This process shall culminate in a determination sufficiently detailed for stakeholders to understand why a particular Long-Term Regional Transmission Facility was selected or not selected in the Long-Term Regional Transmission Plan.

The Enrolled Parties Planning Committee is to evaluate combinations of the Baseline Projects of Enrolled Parties and Alternative Projects to identify whether there may be a combination of Long-Term Regional Transmission Facilities or portfolios of Long-Term Regional Transmission Facilities that effectively satisfy all Long-Term Transmission Needs (“**Long-Term Regional Combination**”). If a project or portfolio does not meet any Long-Term Transmission Needs, it will not be considered by the Enrolled Parties Planning Committee for inclusion in the Draft Long-Term Regional Transmission Plan.

Once the Enrolled Parties Planning Committee becomes aware of a Material Adverse Impact on a Neighboring System caused by a Sponsored Project or Alternative Project identified in the Long-Term Regional Combination, the Project Sponsor is to coordinate with the Neighboring System(s) to assess the facilities necessary to mitigate the Material Adverse Impact on the Neighboring System(s). If the Material Adverse Impact cannot be mitigated (by actions within the Enrolled Region or the Neighboring Systems), or the Project Sponsor does not identify solutions to mitigate the Material Adverse Impact on the Neighboring System(s), the Sponsored Project or Alternative Project identified in the Long-Term Regional Combination will not be selected into the Draft Long-Term Regional Transmission Plan. The Project Sponsor will provide the Mitigation Cost for each Material Adverse Impact to the Enrolled Parties Planning Committee. The Enrolled Parties Planning Committee will review and adjust the Mitigation Cost for each project and then associate the Mitigation Cost of each Material Adverse Impact to each project causing the Material Adverse Impact. The Enrolled Parties Planning Committee is to document its analysis and results in the Draft Long-Term Regional Transmission Plan.

The evaluation process shall consider the following factors to ensure that the process is transparent and not unduly discriminatory or preferential:

- (i) Solutions to meet the Long-Term Transmission Needs of the system, including consideration of the alternative Grid Enhancing Technologies as defined in Section 2.4.3. As part of the NorthernGrid selection process, it will explain, in sufficient detail, why a Grid Enhancing Technology was or was not selected for the Long-Term Regional Transmission Plan.
- (ii) Measure Required Benefits, in accordance with the seven benefits in Section 3.4.3, to prioritize cost-effective facilities and seek to maximize benefits by accounting for costs over time without overbuilding the transmission system.

Specifically, this evaluation process and selection criteria will result in the identification of the most efficient and cost-effective proposals, and estimate the costs and measure the benefits of Long-Term Regional Transmission Facilities, according to the following processes and criteria:

- (i) A “least-regrets” approach, wherein the Enrolled Parties Planning Committee would select a Long-Term Regional Transmission Facility that has a Benefit-to-Cost Ratio of no less than 1.25 in all Long-Term Scenarios, as set forth in Section 3.4.4.2, even if other transmission facilities have more net benefits or a higher Benefit-to-Cost ratio in a single Long-Term Scenario.
- (ii) A Long-Term Regional Transmission Facility will not be required to meet or exceed the Benefit-to-Cost ratio regarding the sensitivity(ies) performed on each Long-Term Scenario, but the Benefit-to-Cost Ratio will be calculated on such sensitivity(ies) for informational purposes.
- (iii) Consideration of the efficiency and cost-effectiveness of Grid Enhancing Technologies.
- (iv) Any additional qualitative or other quantitative selection criteria that NorthernGrid proposes to apply, including those that derive from the stakeholder processes described in Section 3.3.5.4.

#### **3.4.4.1 Right-Sized Replacement Transmission Facilities**

The Enrolled Parties Planning Committee shall evaluate and select Right-Sized Replacement Transmission Facilities as potential solutions to Long-Term Transmission Needs in the same manner as other potential Long-Term Regional Transmission Facilities. The Enrolled Parties Planning Committee will evaluate Right-Sizing to more efficiently or cost-effectively meet a Long-Term Transmission Need that operates above a 200 kV threshold and where the Enrolled Party that owns the facility anticipates replacing it in kind with a new facility during the next 10 years. Upon the selection of a Right-Sized Replacement Transmission Facility, the Enrolled Party that submitted the corresponding In-Kind Replacement Transmission Facility is vested with a right of first refusal to develop the Right-Sized Replacement Transmission Facility that would replace the existing transmission facility. This right of first refusal extends to any portion of the Right-Sized Replacement Transmission Facility located within that Enrolled Party's retail distribution service territory or footprint.

#### **3.4.4.2 Selection of Long-Term Regional Transmission Facilities**

For each proposed Long-Term Regional Transmission Facility or Long-Term Regional Combination, each of the preceding seven Required Benefits will be calculated as an annualized cost or savings, which will be summed to determine the overall cost or savings of the Long-Term Regional Transmission Facility. The Enrolled Parties Planning Committee may discount the Benefits calculated for purposes of determining the present value of these Benefits. The overall benefit-cost or savings of the facility will be compared to the capital cost of the Long-Term Regional Transmission Facility or Long-Term Regional Combination, expressed as a Benefit-to-Cost Ratio. This process will be repeated for each Long-Term Regional Transmission Facility for each scenario and sensitivity studied. For a Long-Term Regional Transmission Facility to be selected into the Long-Term Regional Transmission Plan, the Long-Term Regional Transmission Facility must have an overall Benefit-to-Cost Ratio of no less than 1.25 for each scenario.

### 3.4.5 Voluntary Funding Option and Processes for Relevant State Entities and Interconnection Customers

If an identified Long-Term Regional Transmission Facility is not deemed to satisfy the selection criteria set forth above for selection in the Long-Term Regional Transmission Plan, Relevant State Entities and Interconnection Customers, including any entity whose withdrawn interconnection request gave rise to an interconnection-related transmission need evaluated as a Qualifying Interconnection Project under this Attachment K, provided that the withdrawal occurred within the period specified in the definition of “Qualifying Interconnection Project” in this Attachment K, may elect to fund all, or a portion, of the cost of such Long-Term Regional Transmission Facility (or portfolio of such Facilities) that does not otherwise meet the selection criteria detailed above to ensure that it meets the selection criteria.

At the start of the second quarter of the third year of the Long-Term Regional Transmission Planning Cycle, the Enrolled Parties Planning Committee will (i) provide a voluntary funding option(s) to Relevant State Entities and Interconnection Customers and (ii) publicly post on the NorthernGrid Website the Long-Term Regional Transmission Facilities evaluated during the Long-Term Regional Planning Cycle, their associated benefit-cost ratios, and any voluntary funding requirements for facilities that did not meet the selection criteria.

If the only selection criterion that is not satisfied is the 1.25-to-1 Benefit-to-Cost ratio, the Enrolled Parties Planning Committee will determine the amount of voluntary funding required for the Long-Term Regional Transmission Facility to meet the minimum ratio. The amount of voluntary funding is subtracted from the total project cost and shall equal the amount by which the total project cost must be reduced to achieve a Benefit-to-Cost Ratio of at least 1.25.

#### Example 1: Calculation of Voluntary Funding Obligation

Long-Term Regional Transmission Facility capital cost:	\$100M
Long-Term Regional Transmission Facility Benefits:	\$100M
Benefit-To-Cost Ratio: \$100M Benefits/\$100M Cost	= 1.0
Voluntary Funding Need for Selection: \$100M Net Benefit / (\$100M Net Benefit - \$20M Voluntary Funding Amount) = 100/80	= 1.25
Voluntary Funding Need:	\$20M

Until the end of the third quarter of the third year of the Long-Term Regional Planning Cycle (but not for less than 180 days), Relevant State Entities and Interconnection Customers may exercise the voluntary funding option. Any voluntary funding agreed to by a Relevant State Entity or Interconnection Customer will be memorialized in a written notice of election signed by one or more Relevant State Entities and/or Interconnection Customers (excluding Beneficiaries) agreeing to accept a specific allocation of the Total Project Cost of a proposed Long-Term Regional Transmission Facility.

For any portion of the costs of a selected Long-Term Regional Transmission Facility that failed the Benefit-to-Cost Ratio, but was voluntarily funded by a Relevant State Entity (or Entities) or Interconnection Customer, those remaining costs shall be allocated in accordance with the Long-Term Regional Transmission Cost Allocation Method set forth in Section 3.6, or, where applicable, in accordance with an alternative cost allocation method agreed under the State Agreement Process in Section 3.7 and accepted by the Commission.

The implementation of these voluntary funding procedures does not require that any Long-Term Regional Transmission Facility be selected for inclusion in the Long-Term Regional Transmission Plan, even if one or more Relevant State Entities and/or Interconnection Customers were to agree to accept an allocation of the Total Project Cost. In addition, even if one or more Relevant State Entities and/or Interconnection Customers were to agree to accept an allocation of the Total Project Cost, this Attachment K does not bestow upon a Relevant State Entity and/or Interconnection Customer any ownership interest or capacity entitlements in a Long-Term Regional Transmission Facility.

#### **3.4.6 Reevaluation Process**

To ensure Long-Term Regional Transmission Facilities continue to meet the selection criteria, the Enrolled Parties Planning Committee shall reevaluate certain Long-Term Regional Transmission Facilities that were previously selected in a Long-Term Regional Transmission Plan if any of the three (3) criteria below are satisfied during each Long-Term Regional Transmission Planning Cycle. To perform any required reevaluation analysis, updated Long-Term Scenarios and associated transmission system models that are developed for the Long-Term Regional Transmission Planning Cycle, in which the Enrolled Parties Planning Committee reevaluates the selected Long-Term Regional Transmission Facility, shall be used. Reevaluation under this Section shall not occur until after the Long-Term Regional Transmission Facility becomes a Committed Project. Once a Long-Term Regional Transmission Facility that is a Committed Project has received all permits and authorizations, reevaluation is no longer considered.

### **3.4.6.1 Criteria Triggering Reevaluation**

The three criteria outlined below require reevaluation of a Long-Term Regional Transmission Facility.

#### **3.4.6.1.1 Development Delays that Jeopardize Reliability**

A Long-Term Regional Transmission Facility selected in a prior Long-Term Regional Transmission Plan must be reevaluated if there are delays in development of the previously selected facility that would jeopardize a Transmission Provider's ability to meet its reliability needs or reliability-related service obligations.

#### **3.4.6.1.2 Significant Cost Increases**

A Long-Term Regional Transmission Facility selected in a prior Long-Term Regional Transmission Plan must be reevaluated if the project's actual or projected costs significantly exceed the cost estimates that were used in the determination to select the project. Reevaluation under this criterion must occur in a planning cycle after the one in which the Long-Term Regional Transmission Facility was selected. In addition, reevaluation must consider updated Required Benefits and costs.

#### **3.4.6.1.3 Significant Changes in Policy**

##### **3.4.6.1.3.1 General Trigger**

A Long-Term Regional Transmission Facility (or portfolio) selected in a prior Long-Term Regional Transmission Plan shall be reevaluated where significant changes in federal, Federally-Recognized Tribal, state, or local laws or regulations cause reasonable concern that a previously selected Long-Term Regional Transmission Facility (or portfolio) may no longer meet the selection criteria set forth in Section 3.4.4.2. Reevaluation under this Section 3.4.6.1.3 will not occur unless, during the Long-Term Regional Transmission Planning Cycle in which the Long-Term Regional Transmission

Facility was selected, the Long-Term Regional Transmission Facility's targeted in-service date was in the latter half of the Long-Term Regional Transmission Planning Horizon.

#### **3.4.6.1.3.2 Materiality Standard**

For purposes of Section 3.4.6.1.3.1, a change in law or regulation is "significant" if the change is reasonably likely to:

- (1) reduce the Long-Term Regional Transmission Facility's (or portfolio's) weighted-average Benefit-to-Cost Ratio across the Long-Term Scenarios below 1.25;
- (2) eliminate, or materially reduce the magnitude of, one or more principal economic or reliability drivers from which the Long-Term Regional Transmission Facility's (or portfolio's) Long-Term Transmission Need(s) was identified under Section 3.3.5; or
- (3) materially alter the assumptions underlying one or more Factor Categories that were accounted for in the Long-Term Scenarios used to identify the Long-Term Regional Transmission Facility (or portfolio).

A change in law or regulation that does not satisfy at least one of clauses (1) through (3) is not "significant" for purposes of this Section 3.4.6.1.3.

#### **3.4.6.1.3.3 Timing of Reevaluation**

Reevaluation under this Section 3.4.6.1.3 shall occur in a subsequent Long-Term Regional Transmission Planning Cycle to

the Cycle in which the Long-Term Regional Transmission Facility (or portfolio) was selected. Reevaluation shall consider updated costs and updated Required Benefits as calculated under the Long-Term Scenarios at the time of reevaluation.

### 3.4.6.2 Procedures and Potential Outcomes of Reevaluation

Reevaluation of a Long-Term Regional Transmission Facility will ensure that the facility continues to meet the selection criteria outlined in Section 3.4.4. Potential outcomes of this reevaluation process may include:

- (i) **No Action:** The Long-Term Regional Transmission Facility continues to meet the selection criteria and is included in subsequent Long-Term Regional Transmission Plans.
- (ii) **Identification of Additional Mitigation:** New or additional Material Adverse Impacts are identified on a Neighboring System. The cost of any newly identified mitigation plans will be added to the project cost, and the Benefit-to-Cost Ratio will be recalculated to determine if the facility still meets the selection criteria.
- (iii) **Reassignment:** Reassignment of a Long-Term Regional Transmission Facility to a different transmission developer will be evaluated to determine whether this change impacts the scope, cost, or timing of the facility. Any changes will result in a recalculation of the Benefit-to-Cost Ratio to determine if the facility still meets the selection criteria.
- (iv) **Modification:** Modifications to a previously submitted Long-Term Regional Transmission Facility that impact the scope, cost, or timing of the Long-Term Regional Transmission Facility will be recalculated to determine if it still meets the selection criteria.
- (v) **Removal:** The Project Sponsor is no longer sponsoring the Long-Term Regional Transmission Facility, or it no longer meets the selection criteria and is removed from subsequent Long-Term Regional Transmission Plans.

### **3.4.7 Documentation in Draft Long-Term Regional Transmission Plan**

The Enrolled Parties Planning Committee shall follow the procedures in Section 2.4.3 for documentation in the Long-Term Regional Transmission Plan. For this Section, any reference to Regional Transmission in Section 2.4.3 shall be considered as Long-Term Regional Transmission.

### **3.4.8 Review and Comment; Consideration of Comments; Update Draft Long-Term Regional Transmission Plan**

The Enrolled Parties Planning Committee shall follow the procedures in Section 2.4.4 for reviewing and commenting, consideration of comments, and updating the Draft Long-Term Regional Transmission Plan. For the purpose of this Section, any reference to Regional Transmission in Section 2.4.4 shall be considered as Long-Term Regional Transmission.

### **3.4.9 Comparability**

The Enrolled Parties Planning Committee shall follow the procedures in Section 2.4.5 for comparability. For the purpose of this Section, any reference to Regional Transmission in Section 2.4.5 shall be considered as Long-Term Regional Transmission.

## **3.5 Qualifying to Request Cost Allocation for Long-Term Regional Transmission Facilities**

The Enrolled Parties Planning Committee shall follow the procedures in Section 2.5 for qualifying to request cost allocation. For the purpose of this Section, any reference to Regional Transmission in Section 2.5 shall be considered as Long-Term Regional Transmission.

## **3.6 Long-Term Regional Transmission Cost Allocation Method**

### **3.6.1 Scope and Application**

This Section 3.6 sets forth the Long-Term Regional Transmission Cost Allocation Method. The Cost Allocation Task Force shall identify each Long-Term Regional Transmission Facility (or portfolio) to which the Long-Term Regional Transmission Cost Allocation Method applies as a result of selection in the Draft Long-Term Regional Transmission Plan under Section 3.4.4. After this point, such a Long-Term Regional Transmission Facility (or portfolio) for which cost allocation is requested pursuant to Section 3.5 is deemed a Long-Term Eligible Cost Allocation Project.

### **3.6.2 Total Project Cost and Annualized Cost of a Long-Term Eligible Cost Allocation Project**

The Cost Allocation Task Force shall determine the Total Project Cost of each Long-Term Eligible Cost Allocation Project. The Cost Allocation Task Force is also to determine the Annualized Cost of each Long-Term Eligible Cost Allocation Project as set forth in this Section 3.6.2.

#### **3.6.2.1 Annualized Cost of a Long-Term Eligible Cost Allocation Project That is not an ITP**

The Annualized Cost is a levelized annual cost over the life of the Long-Term Eligible Cost Allocation Project. When determining the Annualized Cost of a project that is not an ITP, the Cost Allocation Task Force shall follow the approach set forth in Section 2.6.2.1. For this Section, any reference to Regional Transmission in Section 2.6.2.1 shall be considered as Long-Term Regional Transmission.

#### **3.6.2.2 Annualized Cost of a Long-Term Eligible Cost Allocation Project That is an ITP**

With respect to the Annualized Cost of an ITP, the Cost Allocation Task Force shall annualize, in the manner described in Section 2.6.2.2, the Assigned Regional Costs from Interregional Cost Allocation, as determined in accordance with Section 4.7.6. For this Section, any reference to Regional Transmission in Section 2.6.2.2 shall be considered as Long-Term Regional Transmission.

### **3.6.3 Benefits of a Long-Term Eligible Cost Allocation Project**

For each Long-Term Eligible Cost Allocation Project, the benefits of any Long-Term Eligible Cost Allocation Project for purposes of cost allocation under this Section 3.6 are the sum of the Required Benefits that are identified, measured, and evaluated in Sections 3.4.3 and 3.4.4. Each Required Benefit is converted to a levelized annual amount, assumed to continue over the life of the Eligible Cost Allocation Project, and summed.

### **3.6.4 Allocation of Total Project Costs to Long-Term Enrolled Party Beneficiaries**

The Cost Allocation Task Force shall identify each Enrolled Party Beneficiary for which the Long-Term Eligible Cost Allocation Project produces a quantifiable share of the Required Benefits determined under Section 3.6.3 (each, a “**Long-Term Enrolled Party Beneficiary**”) and shall allocate the

Total Project Cost of each Long-Term Eligible Cost Allocation Project based on each Long-Term Enrolled Party Beneficiary's share of those Required Benefits.

### **3.6.4.1 Calculation of Allocation to each Long-Term Enrolled Party Beneficiary**

The Cost Allocation Task Force is to calculate the allocation of the Total Project Cost, as calculated under Section 3.6.2, of each Long-Term Eligible Cost Allocation Project to each Long-Term Enrolled Party Beneficiary. The Total Project Cost of the Long-Term Eligible Cost Allocation Project, less any amounts voluntarily funded by Relevant State Entities or Interconnection Customers pursuant to Section 3.4.5 and less any amounts voluntarily accepted by another Person pursuant to a Voluntary Allocation, shall be allocated to each Long-Term Enrolled Party Beneficiary based upon the benefits, as calculated under Section 3.6.3, applicable to each such Long-Term Enrolled Party Beneficiary divided by the total benefits (in dollars) applicable to all Long-Term Enrolled Party Beneficiaries of such Long-Term Eligible Cost Allocation Project, with that result multiplied by the Total Project Cost of the Long-Term Eligible Cost Allocation Project as expressed in Formula 2. The Cost Allocation Task Force shall as soon as practical provide each Long-Term Enrolled Party Beneficiary with the results from its application of the Long-Term Regional Cost Allocation Methodology for any Long-Term Eligible Cost Allocation Project.

#### **Formula 2. Long-Term Regional Transmission Cost Allocation**

$$D = (B / C) \times (A - V - X)$$

Where, for a Long-Term Eligible Cost Allocation Project:

“A” is the Total Project Cost of the Long-Term Eligible Cost Allocation Project, determined under Section 3.6.2;

“B” is the dollar amount of Required Benefits, determined under Section 3.6.4, to the specific Long-Term Enrolled Party Beneficiary (less any amount accepted by a Person pursuant to Section 3.6.4.2);

“C” is the dollar amount of the sum of the Required Benefits, determined under Section 3.6.3 for all Long-Term Enrolled Party Beneficiaries;

“D” is the dollar amount of the Total Project Cost of the Long-Term Eligible Cost Allocation Project to be allocated to the specific Long-Term Enrolled Party Beneficiary;

“V” is the amount, if any, voluntarily funded by Relevant State Entities or Interconnection Customers pursuant to Section 3.4.5; and

“X” is the amount, if any, voluntarily accepted by another Person pursuant to a Voluntary Allocation pursuant to Section 3.6.4.2.

#### **3.6.4.2 Acceptance of Total Project Cost; Removal from Cost Allocation**

Upon receipt of the results of the Cost Allocation Task Force’s application of the Long-Term Regional Cost Allocation Methodology to a Long-Term Eligible Cost Allocation Project and prior to the Cost Allocation Task Force transmitting its results to the Enrolled Parties Planning Committee for inclusion in the Draft Long-Term Regional Transmission Plan, the Enrolled Parties shall have thirty (30) calendar days to arrange participant funding for the Long-Term Eligible Cost Allocation Project (the “**Negotiation Period**”). On or before the conclusion of the Negotiation Period, the Project Sponsor shall notify the Cost Allocation Task Force of its election to proceed based upon one of the following three options:

- a. **Continue with Cost Allocation**—whereby the Cost Allocation Task Force is to proceed with notifying the Enrolled Parties Planning Committee of the results of its cost allocation.
- b. **Hybrid Allocation**—whereby the Project Sponsor includes with its notice of election a writing signed by one or more Persons (excluding Beneficiaries) agreeing to accept a specific allocation of the Total Project Cost of a Long-Term Eligible Cost Allocation Project (“**Voluntary Allocation**”).
- c. **Withdrawal**—whereby the Project Sponsor voluntarily withdraws its request for cost allocation of the Long-Term Eligible Cost Allocation Project in the Planning Cycle.

In the event the “Continue with Cost Allocation” option is selected, the Cost Allocation Task Force shall provide the Enrolled Parties Planning Committee with the results of its cost allocation.

In the event the “Hybrid Allocation” option is selected, the Cost Allocation Task Force shall subtract the amount of Voluntary

Allocation from the Total Project Cost of the Long-Term Eligible Cost Allocation Project. The Cost Allocation Task Force shall then allocate the remainder of the Total Project Cost of the Long-Term Eligible Cost Allocation Project to the Long-Term Enrolled Party Beneficiaries in accordance with the methodology set forth in Section 3.6.4.1 and provide the Enrolled Parties Planning Committee with the results of its cost allocation that takes into account the Voluntary Allocation.

In the event the “Withdrawal” option is selected, the Cost Allocation Task Force shall notify the Enrolled Parties Planning Committee that the Project Sponsor has withdrawn its request for cost allocation.

#### **3.6.4.3 Results from Long-Term Cost Allocation Method; Documentation in Draft Final Long-Term Regional Transmission Plan**

Unless a Long-Term Eligible Cost Allocation Project is removed from cost allocation consideration pursuant to Section 3.6.4.2, the Cost Allocation Task Force is to incorporate the results from its application of the Long-Term Cost Allocation Methodology for such Cost Allocation Project in the Draft Final Long-Term Regional Transmission Plan. The Cost Allocation Task Force is to post such results on the NorthernGrid Website and post notice of, and hold, a public meeting in accordance with the Cost Allocation Task Force Charter to review the results. Materials that contain Confidential Information or CEII shall be handled in accordance with the procedures set forth in Section 2.2.7. The Cost Allocation Task Force will then incorporate and document any comments received; and the analysis, rationale, and results associated with each Long-Term Eligible Cost Allocation Project and the conclusion of any negotiation efforts, into the Draft Final Long-Term Regional Transmission Plan and document the reasons for the decisions made.

#### **3.6.5 Relationship to State Agreement Process**

If one or more Relevant State Entities agree on an alternative cost allocation method for a Long-Term Eligible Cost Allocation Project in accordance with the process provided in Section 3.7, and that method is filed with and accepted by the Commission, the agreed method shall apply to that Long-Term Eligible Cost Allocation Project in lieu of the Long-Term Regional Transmission Cost Allocation Method set forth in this Section 3.6. If the State Agreement Process is not invoked for a given Long-Term Eligible Cost Allocation Project, or is invoked and does not result in an agreed method filed with and accepted by the

Commission, the Long-Term Regional Transmission Cost Allocation Method set forth in this Section 3.6 shall apply as the default.

### **3.6.6 Reevaluation of Cost Allocation**

The cost allocation for each Long-Term Eligible Cost Allocation Project determined under Section 3.6.4 shall be updated as part of any reevaluation of the facility (or portfolio) conducted under Section 3.4.6, using updated Required Benefit calculations and updated costs. The cost allocation shall not otherwise be reopened.

### **3.6.7 Consultation, Transparency, and Amendment**

#### **3.6.7.1 Consultation Required Before Filing**

Before filing with the Commission any proposed amendment to the Long-Term Regional Transmission Cost Allocation Method or to any State Agreement Process on file with the Commission, whether the amendment is proposed by one or more Enrolled Parties or by one or more Relevant State Entities, NorthernGrid shall consult with the Relevant State Entities in the NorthernGrid Enrolled Region. The consultation shall afford Relevant State Entities a meaningful opportunity to identify (i) amendments they prefer, (ii) modifications to the amendment being proposed, and (iii) the reasoning for their preferences. The consultation shall be conducted in accordance with the procedures set forth in the Enrolled Parties and States Committee Charter, subject to the requirements of this Section 3.6.7.

#### **3.6.7.2 Public Posting Before Filing**

Not less than thirty (30) calendar days before filing with the Commission any proposed amendment under Section 3.6.7.1, the Enrolled Parties shall post on the public portion of the NorthernGrid Website:

- (1) a summary of the consultation conducted under Section 3.6.7.1, including identification of each Relevant State Entity (or authorized representative) that participated and the dates of consultation;
- (2) a description of the amendment being proposed;
- (3) identification of any amendment preferred by one or more Relevant State Entities, including any amendment that differs from the amendment being proposed; and

- (4) where the proposed amendment does not reflect a Relevant-State-Entity-preferred amendment, a written explanation of the basis for the Enrolled Parties' decision not to propose the Relevant-State-Entity-preferred amendment.

The posting required by this Section 3.6.7.2 shall remain publicly accessible on the NorthernGrid Website for a period of no less than five (5) years following the date of the underlying Commission filing.

### **3.6.7.3 Explanation in the Filing**

Any filing under Section 3.6.7.1 shall include, as part of the filed transmittal or as an attachment to the filing, the materials posted under Section 3.6.7.2. Where the Enrolled Parties propose an amendment other than one preferred by one or more Relevant State Entities, the transmittal shall include a written explanation of the basis for that choice, consistent with the explanation posted under Section 3.6.7.2(4). Consistent with Order No. 1920-B, the Enrolled Parties shall include a Relevant-State-Entity-preferred amendment in the filing, and shall request Commission consideration of that amendment, even where the Enrolled Parties do not propose the Relevant-State-Entity-preferred amendment.

### **3.6.7.4 Relationship to Password-Protected Cost and Benefit Breakdown**

For each Long-Term Eligible Cost Allocation Project to which a cost allocation is applied under this Section 3.6 or under an agreed State Agreement Process method, NorthernGrid shall make available, on a password-protected portion of OASIS or other password-protected website, (i) a breakdown of the allocated costs by zone and (ii) a quantification of the Required Benefits imputed to each zone, as such benefits can be reasonably estimated. The breakdown and quantification shall be made available when an agreed method under the State Agreement Process is filed with the Commission under Section 3.7.5 or, if no State Agreement Process is used, at the time the Long-Term Eligible Cost Allocation Project is selected under Section 3.4.4.2. The password-protected posting under this Section 3.6.7.4 is separate from and in addition to the public posting required under Section 3.6.7.2; information that is Confidential Information or CEII shall be handled in the password-protected posting in accordance with the procedures set forth in Section 2.2.7.

## **3.7 State Agreement Process**

### **3.7.1 Scope and Effect**

This Section 3.7.1 sets forth the State Agreement Process. Through the State Agreement Process, two or more Participants may agree, for one or more specified Long-Term Regional Transmission Facilities (or portfolios of such Facilities), on an alternative cost allocation method in lieu of the Long-Term Regional Transmission Cost Allocation Method set forth in Section 3.6. Any alternative cost allocation method agreed to under this Section 3.7 and filed with and accepted by the Commission shall apply to the Long-Term Regional Transmission Facility (or portfolios of such Facilities) to which it is addressed, in lieu of the Long-Term Regional Transmission Cost Allocation Method, beginning on the date specified in the Commission's order accepting any alternative cost allocation method agreed to under this Section 3.7.

### **3.7.2 State Agreement Process Timing**

The State Agreement Process may commence before a Long-Term Eligible Cost Allocation Project is identified by the Cost Allocation Task Force per Section 3.6.1 but shall terminate no later than six months from the date the Enrolled Parties notify the Relevant State Entities that a Long-Term Eligible Cost Allocation Project has been identified by the Cost Allocation Task Force.

### **3.7.3 State Agreement Process Participation**

- (a) Each Participant representing a state commission that regulates the retail rates of an Enrolled Party that would be assigned costs associated with a Long-Term Eligible Cost Allocation Project pursuant to the Long-Term Regional Transmission Cost Allocation Method in Section 3.6 is eligible to vote on any proposed alternative to such Long-Term Regional Transmission Cost Allocation Method during the State Agreement Process.
- (b) If, during the State Agreement Process, an alternative cost allocation approach being considered might assign costs to an Enrolled Party that was not initially identified as a Long-Term Enrolled Party Beneficiary, a Participant that represents a state commission that regulates the retail rates of such Enrolled Party is eligible to vote on such alternative approach.

### **3.7.4 State Agreement Process Facilitation**

- (a) The Participants shall determine among themselves the procedures by which they will conduct the State Agreement Process, including the

meeting schedule. NorthernGrid shall, upon request, provide reasonable logistical support for meetings of the Participants and the Enrolled Parties shall provide data and analysis reasonably necessary to inform the process, subject to applicable confidentiality procedures.

- (b) The Enrolled Parties Planning Committee and the Cost Allocation Task Force may, upon invitation by the Participants, attend meetings or provide input. They shall not otherwise direct or constrain the process.

### **3.7.5 Cost Allocation to Non-State Regulated Enrolled Parties or Non-Enrolled Parties in the State Agreement Process**

- (a) If costs are allocated to a Long-Term Enrolled Party Beneficiary that is not state regulated, the Participants shall consult with the impacted non-state regulated Long-Term Enrolled Party Beneficiary prior to voting on an alternative cost allocation methodology.
- (b) If, during the State Agreement Process, the Participants conclude that non-Enrolled Parties will significantly benefit from the Long-Term Eligible Cost Allocation Project, the Participants may vote to either: (i) recommend that the Enrolled Parties Planning Committee decline to select that Long-Term Eligible Cost Allocation Project (if the vote occurs prior to the selection per Section 3.6.1); or (ii) recommend that the Enrolled Parties Planning Committee reevaluate the selected Long-Term Eligible Cost Allocation Project on the basis of changes in presumed costs or benefits in the next Long-Term Regional Transmission Planning Cycle.

### **3.7.6 Decision Making Criteria**

- (a) For a single transmission project, each Participant eligible to vote must approve the proposed alternative to the Long-Term Regional Transmission Cost Allocation Method in Section 3.6.
- (b) For a portfolio of projects, at least 75 percent of Participants eligible to vote that represent states that regulate the retail rates of Long-Term Enrolled Party Beneficiaries that would be allocated at least 75 percent of the estimated total costs of the projects must agree to approve a proposed alternative to the Long-Term Regional Transmission Cost Allocation Method in Section 3.6.

### **3.7.7 Access to Data**

Participants have the authority to request relevant information from the Enrolled Parties and the Cost Allocation Task Force.

### **3.7.8 Documentation and Commission Filing**

- (a) If Participants fail to reach an agreement on an alternative cost allocation methodology within the time frame allocated in Section 3.7.2, the Long-Term Regional Transmission Cost Allocation Method in Section 3.6 shall apply.
- (b) If Participants reach agreement on an alternative cost allocation method for a Long-Term Eligible Cost Allocation Project, the agreement shall be memorialized in a written document that specifies (i) the Long-Term Eligible Cost Allocation Project to which the agreement applies; (ii) the alternative cost allocation method, including any formula, and beneficiary identification methodology under the method; (iii) the effective date or event on which the alternative method is to take effect; and (iv) the Participants vote count.
- (c) The Participants shall submit the agreement to the Enrolled Parties for filing with the Commission. The Enrolled Parties shall file the agreement with the Commission as a proposed amendment to this Attachment K, within thirty (30) calendar days of receipt of the signed agreement and shall post the filing on the public portion of the NorthernGrid Website at the time of filing.
- (d) The alternative cost allocation method shall take effect on the date specified in the Commission's order accepting the agreement. Until that date, the Long-Term Regional Transmission Cost Allocation Method set forth in Section 3.6 shall apply.

### **3.7.9 Commission Rejection**

If the Commission rejects a filed agreement, the Long-Term Regional Transmission Cost Allocation Method set forth in Section 3.6 shall apply to that Long-Term Eligible Cost Allocation Project.

## **3.8 Multiple Scenarios**

Evaluation of Long-Term Regional Transmission Facilities (or Long-Term Regional Combinations) across multiple Long-Term Scenarios is governed by Section 3.4.4.2 (selection) and Section 3.6 (cost allocation). The Benefit-to-Cost Ratio under any sensitivity analysis is calculated for informational purposes only.

### **3.9 Reevaluation of Long-Term Regional Transmission Facilities and Cost Allocation**

#### **3.9.1 Facility Reevaluation**

Reevaluation of Long-Term Regional Transmission Facilities (or portfolios) selected in a Long-Term Regional Transmission Plan shall be conducted solely in accordance with Section 3.4.6. Section 3.4.6 sets forth the three circumstances under which reevaluation is required and the procedures and potential outcomes of reevaluation.

#### **3.9.2 Cost Allocation Reevaluation**

Where a Long-Term Regional Transmission Facility (or portfolio) is reevaluated under Section 3.4.6, the cost allocation for that Facility (or portfolio) shall be updated in accordance with Section 3.6.5, using updated Required Benefit calculations and updated costs. Cost allocation shall not otherwise be reopened for a selected Long-Term Regional Transmission Facility.

### **3.10 Long-Term Regional Transmission Plan**

#### **3.10.1 Preparation and Posting of Draft Final Long-Term Regional Transmission Plan**

The Enrolled Parties Planning Committee shall follow Section 2.7.1 in preparing and posting a Draft Final Long-Term Regional Transmission Plan. For the purpose of this Section, any reference to Regional Transmission in Section 2.7.1 shall be considered as Long-Term Regional Transmission.

#### **3.10.2 Review and Comment; Consideration of Comments; Update Draft Final Long-Term Regional Transmission Plan; Long-Term Regional Transmission Plan**

Upon development of the Draft Final Long-Term Regional Transmission Plan, the Enrolled Parties Planning Committee must post the Draft Final Long-Term Regional Transmission Plan on the NorthernGrid Website and conduct a public meeting and comment period. The Enrolled Parties Planning Committee shall follow the procedures in Section 2.7.2. For the purpose of this Section, any reference to Regional Transmission in Section 2.7.2 shall be considered as Long-Term Regional Transmission.

## **SECTION 4      Interregional Coordination and Cost Allocation Process**

### **4.1      Introduction**

Section 4 of Attachment K sets forth provisions that facilitate the implementation of interregional provisions for Regional Transmission Planning and Long-Term Regional Transmission Planning. NorthernGrid is to conduct the activities and processes set forth in Section 4 of Attachment K.

Nothing in this Section 4 of Attachment K will preclude any transmission owner or transmission provider from taking any action it deems necessary or appropriate with respect to any transmission facilities it needs to comply with any local, state, or federal requirements.

Any Interregional Cost Allocation regarding any ITP is solely for the purpose of developing information to be used in the Regional Transmission Planning process and/or Long-Term Regional Transmission Planning process of each Relevant Planning Region, including the regional cost allocation process and methodologies of each such Relevant Planning Region.

References in this Section 4 of Attachment K to any transmission planning processes, including cost allocations, are references to transmission planning processes pursuant to Order No. 1000 and Order No. 1920.

### **4.2      Annual Interregional Information Exchange**

Annually, before the Annual Interregional Coordination Meeting, NorthernGrid is to make available by posting on the NorthernGrid Website or otherwise provide to each of the other Planning Regions the following information, to the extent such information is available in its Regional Transmission Planning process and Long-Term Regional Transmission Planning process, relating to Regional Transmission Needs and Long-Term Transmission Needs (Enrolled Party Needs) in NorthernGrid's Enrolled Region and Potential Solutions thereto:

- (i) Study Scope or underlying information that would typically be included in a Study Scope, such as:
  - a. Identification of base cases;
  - b. Planning study assumptions; and
  - c. Study methodologies;
- (ii) initial study reports (or system assessments);
- (iii) Regional Transmission Plan; and

- (iv) Long-Term Regional Transmission Plan.

(Collectively referred to as “**Annual Interregional Information.**”)

NorthernGrid is to post its Annual Interregional Information on the NorthernGrid Website. Each other Planning Region may use NorthernGrid’s Annual Interregional Information in its Regional Transmission Planning process and/or Long-Term Regional Transmission Planning process. NorthernGrid may use, in its Regional Transmission Planning process and/or Long-Term Regional Transmission Planning process, the Annual Interregional Information or comparable information provided by other Planning Regions.

NorthernGrid is not required to make available or otherwise provide to any other Planning Region (i) any information not developed by NorthernGrid in the ordinary course of its Regional Transmission Planning process and/or Long-Term Regional Transmission Planning process; (ii) any Annual Interregional Information or comparable information to be provided by any other Planning Region with respect to such other Planning Region; or (iii) any information if NorthernGrid reasonably determines that making such information available or otherwise providing such information would constitute a violation of the Commission’s Standards of Conduct or any other legal requirement.

Annual Interregional Information made available or otherwise provided by NorthernGrid shall be subject to applicable confidentiality and CEII restrictions and other applicable laws, under NorthernGrid’s Regional Transmission Planning process and/or Long-Term Regional Transmission Planning process. Any Annual Interregional Information made available or otherwise provided by NorthernGrid shall be “AS IS” and any reliance by the receiving Planning Region on such Annual Interregional Information is at its own risk, without warranty and without any liability of NorthernGrid, Transmission Provider, or any entity supplying information in NorthernGrid’s Regional Transmission Planning process and/or Long-Term Regional Transmission Planning process, including any liability for (a) any errors or omissions in such Annual Interregional Information, or (b) any delay or failure to provide such Annual Interregional Information.

#### **4.3 Annual Interregional Coordination Meeting**

The NorthernGrid Enrolled Region is to participate in an Annual Interregional Coordination Meeting with the other Planning Regions. NorthernGrid is to host the Annual Interregional Coordination Meeting in turn with the other Planning Regions and is to seek to convene it no later than June 30th, unless an alternative date is mutually agreed upon among the Planning Regions. The Annual Interregional Coordination Meeting is to be open to stakeholders. NorthernGrid is to provide notice of the meeting to its stakeholders on the NorthernGrid Website.

At the Annual Interregional Coordination Meeting, topics discussed may include the following:

1. Each Planning Region's most recent Annual Interregional Information or comparable information provided by any other Planning Region with respect to such Planning Region (to the extent it is not confidential or protected by CEII or other legal restrictions);
2. Identification and preliminary discussion of interregional solutions that may meet Regional Transmission Needs or Long-Term Regional Transmission Needs in each of two or more Planning Regions more cost-effectively or efficiently;
3. Updates of the status of any ITP being evaluated or previously included in NorthernGrid's Regional Transmission Plan or Long-Term Regional Transmission Plan; and
4. Current information regarding respective Long-Term Regional Transmission Needs and the Long-Term Regional Transmission Facilities to meet those needs, to the extent such information is available.

Following the Annual Interregional Coordination Meeting, the Long-Term Transmission Needs discussed in the interregional transmission coordination meeting involving the NorthernGrid Planning Region will be posted on the NorthernGrid Website.

#### **4.4 ITP Joint Evaluation Process**

##### **4.4.1 Submission Requirements**

An ITP Proponent may seek to have its ITP jointly evaluated by the Relevant Planning Regions pursuant to Section 4.4.2 by submitting the ITP into the Regional Transmission Planning process or Long-Term Regional Transmission Planning process of each Relevant Planning Region in accordance with such Relevant Planning Region's Regional Transmission Planning process or Long-Term Regional Transmission Planning process. If an ITP is submitted to the Regional Transmission Planning process, it must be submitted no later than March 31st of any even-numbered calendar year. If an ITP is submitted to the Long-Term Regional Transmission Planning process, it must be submitted no later than March 31st of the first year of the Long-Term Regional Transmission Planning Cycle. Such an ITP Proponent seeking to connect to a transmission facility owned by multiple transmission owners in more than one Planning Region must submit the ITP to each such Planning Region in accordance with such Planning Region's Regional Transmission Planning process or Long-Term

Regional Transmission Planning process. In addition to satisfying each Relevant Planning Region's information requirements, the ITP Proponent must include with its submittal to each Relevant Planning Region a list of all Planning Regions to which the ITP is being submitted.

#### **4.4.2 Joint Evaluation of an ITP**

For each ITP that meets the requirements of Section 4.4.1, the NorthernGrid Enrolled Region (if it is a Relevant Planning Region) is to participate in a joint evaluation by the Relevant Planning Regions that is to commence in the calendar year of the ITP's submittal in accordance with Section 4.4.1 or the immediately following calendar year. With respect to any such ITP, the NorthernGrid Enrolled Region (if it is a Relevant Planning Region) is to confer with the other Relevant Planning Region(s) regarding the following:

- (i) ITP data and projected ITP costs; and
- (ii) The study assumptions and methodologies to be used in evaluating the ITP pursuant to its Regional Transmission Planning process or Long-Term Regional Transmission Planning process.

For each ITP that meets the requirements of Section 4.4.1, the NorthernGrid Enrolled Region (if it is a Relevant Planning Region):

- a. Is to seek to resolve any differences it has with the other Relevant Planning Regions relating to the ITP or to information specific to other Relevant Planning Regions insofar as such differences may affect NorthernGrid's evaluation of the ITP;
- b. Is to provide stakeholders an opportunity to participate in NorthernGrid's activities under this Section 4.4.2 in accordance with its Regional Transmission Planning process or its Long-Term Regional Transmission Planning process, as applicable;
- c. Is to notify the other Relevant Planning Regions if the NorthernGrid Enrolled Region determines that the ITP will not meet any of its Regional Transmission Needs or Long-Term Regional Transmission Needs; thereafter, the NorthernGrid Enrolled Region has no obligation under this Section 4.4.2 to participate in the joint evaluation of the ITP; and

- d. Is to process the ITP in accordance with its Regional Transmission Planning process or its Long-Term Regional Transmission Planning process.

## **4.5 Interregional Cost Allocation Process**

### **4.5.1 Submission Requirements**

For any ITP that has been properly submitted in each Relevant Planning Region's Regional Transmission Planning process or Long-Term Regional Transmission Planning process in accordance with Section 4.4.1, an ITP Proponent may also request Interregional Cost Allocation by requesting such cost allocation from the NorthernGrid Enrolled Region and each other Relevant Planning Region in accordance with its Regional Transmission Planning process or Long-Term Regional Transmission Planning process. The ITP Proponent must include with its submittal to each Relevant Planning Region a list of all Planning Regions in which Interregional Cost Allocation is being requested.

### **4.5.2 Interregional Cost Allocation Process**

For each ITP that meets the requirements of Section 4.5.1, the NorthernGrid Enrolled Region (if it is a Relevant Planning Region) is to confer with or notify, as appropriate, any other Relevant Planning Region(s) regarding the following:

- (i) Assumptions and inputs to be used by each Relevant Planning Region for purposes of determining benefits in accordance with its regional cost allocation methodology or long-term regional cost allocation methodology, as applied to ITPs;
- (ii) The NorthernGrid Enrolled Region's regional or long-term regional benefits stated in dollars resulting from the ITP, if any; and
- (iii) Assignment of projected costs of the ITP (subject to potential reassignment of projected costs pursuant to Section 4.6.2) to each Relevant Planning Region using the methodology described in this Section 4.5.2.

For each ITP that meets the requirements of Section 4.5.1, the NorthernGrid Enrolled Region (if it is a Relevant Planning Region):

- a. Is to seek to resolve with the other Relevant Planning Regions any differences relating to ITP data or to information specific to other Relevant Planning Regions

insofar as such differences may affect NorthernGrid's analysis;

- b. Is to provide stakeholders an opportunity to participate in NorthernGrid's activities under this Section 4.5.2 in accordance with its Regional Transmission Planning process or its Long-Term Regional Transmission Planning process, as applicable;
- c. Is to determine its regional benefits or long-term regional benefits, stated in dollars, resulting from an ITP; in making such determination of its regional benefits or long-term regional benefits in the NorthernGrid Enrolled Region, NorthernGrid is to apply its regional Cost Allocation Methodology or its Long-Term Regional Transmission Cost Allocation Methodology, as applied to ITPs;
- d. Is to calculate its assigned pro rata share of the projected costs of the ITP, stated in a specific dollar amount, equal to its share of the total benefits identified by the Relevant Planning Regions multiplied by the projected costs of the ITP;
- e. Is to share with the other Relevant Planning Regions information regarding what its regional Cost Allocation or Long-Term Regional Transmission Cost Allocation would be if it were to select the ITP in its Regional Transmission Plan or Long-Term Regional Transmission Plan for purposes of Interregional Cost Allocation; the NorthernGrid Enrolled Region may use such information to identify its total share of the projected costs of the ITP to be assigned to the NorthernGrid Enrolled Region to determine whether the ITP is a more efficient or cost-effective solution to a Regional Transmission Need or Long-Term Regional Transmission Need in the NorthernGrid Enrolled Region;
- f. Is to determine whether to select the ITP in its Regional Transmission Plan or Long-Term Regional Transmission Plan for purposes of Interregional Cost Allocation, based on its Regional Transmission Planning process or Long-Term Regional Transmission Planning process; and

- g. Is to endeavor to perform its Interregional Cost Allocation activities pursuant to this Section 4.5.2 in the same general time frame as its joint evaluation activities pursuant to Section 4.4.2.

#### **4.6 Application of Regional Cost Allocation Methodology or Long-Term Regional Cost Allocation Methodology to Selected ITP**

##### **4.6.1 Selection by All Relevant Planning Regions**

If the NorthernGrid Enrolled Region (if it is a Relevant Planning Region) and all of the other Relevant Planning Regions select an ITP in their respective Regional Transmission Plans or Long-Term Regional Transmission Plans for purposes of Interregional Cost Allocation, the NorthernGrid Enrolled Region is to apply its regional Cost Allocation Methodology or its Long-Term Regional Transmission Cost Allocation Methodology to the projected costs of the ITP assigned to it under Sections 4.5.2(d) or 4.5.2(e) above in accordance with its regional Cost Allocation Methodology or its Long-Term Regional Transmission Cost Allocation Methodology, as applied to ITPs.

##### **4.6.2 Selection by at Least Two but Fewer than All Relevant Planning Regions**

If the NorthernGrid Enrolled Region (if it is a Relevant Planning Region) and at least one, but fewer than all of the other Relevant Planning Regions select the ITP in their respective Regional Transmission Plans or Long-Term Regional Transmission Plans for purposes of Interregional Cost Allocation, NorthernGrid is to evaluate (or reevaluate, as the case may be) pursuant to Sections 4.5.2(d), 4.5.2(e), and 4.5.2(f) above whether, without the participation of the non-selecting Relevant Planning Region(s), the ITP is selected (or remains selected, as the case may be) in its Regional Transmission Plan or Long-Term Regional Transmission Plan for purposes for Interregional Cost Allocation. Such reevaluation(s) are to be repeated as many times as necessary until the number of selected Relevant Planning Regions does not change with such reevaluation.

If following such evaluation (or reevaluation), the number of selected Relevant Planning Regions does not change. The ITP remains selected for purposes of Interregional Cost Allocation in the respective Regional Transmission Plans or Long-Term Regional Transmission Plans of the NorthernGrid Enrolled Region and at least one other Relevant Planning Region, the NorthernGrid Enrolled Region is to apply its regional Cost Allocation Methodology or its Long-Term Regional Transmission Cost Allocation Methodology to the projected costs of the ITP assigned to it under Sections 4.5.2(d) or 4.5.2(e) above in accordance with its regional Cost Allocation Methodology or its Long-Term Regional Transmission Cost Allocation Methodology, as applied to ITPs.

## **4.7 ITPs, Joint Evaluation, and Interregional Cost Allocation**

### **4.7.1 Introduction**

This Section 4.7 of Attachment K only applies to ITPs for which the NorthernGrid Enrolled Region is a Relevant Planning Region and does not apply to any ITP for which the NorthernGrid Enrolled Region is not a Relevant Planning Region.

### **4.7.2 Entities That May Submit an ITP for Joint Evaluation**

Any Person that seeks to submit an ITP for joint evaluation pursuant to Section 4 of this Attachment K must submit the ITP into the NorthernGrid Enrolled Region's Regional Transmission Planning process in accordance with Section 2.3.3 or the Long-Term Regional Transmission Planning process in accordance with Section 3.3.3 of this Attachment K, and must submit the ITP into the planning process of all Relevant Planning Regions.

### **4.7.3 Confirmation from Relevant Planning Regions**

NorthernGrid is to seek to confirm with each other Relevant Planning Region that such Enrolled Party or ITP Proponent has submitted such ITP for evaluation into the Regional Transmission Planning process or Long-Term Regional Transmission Planning process of each other Relevant Planning Region in accordance with the Regional Transmission Planning process or Long-Term Regional Transmission Planning process of such Relevant Planning Region(s). If NorthernGrid is unable to confirm that the Enrolled Party or ITP Proponent has submitted its ITP for evaluation into the Regional Transmission Planning process or Long-Term Regional Transmission Planning process of each other's Relevant Planning Region in accordance with the Regional Transmission Planning process or Long-Term Regional Transmission Planning process of such Relevant Planning Region(s), NorthernGrid is to notify the ITP Proponent in writing. The ITP Proponent is to have thirty (30) calendar days from the date of such notice to provide NorthernGrid evidence, reasonably acceptable to NorthernGrid, that the ITP Proponent has timely submitted its ITP for evaluation to each of the relevant planning regions. If an ITP Proponent fails to provide such evidence, the ITP Proponent's ITP is to be deemed withdrawn.

### **4.7.4 Submit ITP Information**

Before commencing the joint evaluation of an ITP pursuant to Section 4 of this Attachment K, an ITP Proponent that is seeking such evaluation of an ITP is to submit to the NorthernGrid Enrolled Region information in accordance with Section 2.3.3 or 3.3.3 of this Attachment K, which is, to the extent permitted by

law, to include a copy of all ITP data being submitted by the ITP Proponent to any of the other Relevant Planning Regions for such ITP.

#### 4.7.5 Joint Evaluation Implementation

For purposes of the NorthernGrid Enrolled Region’s evaluation of an ITP pursuant to Section 4 of this Attachment K, evaluation of such ITP is to be through the NorthernGrid Enrolled Region’s transmission planning processes as set forth in this Attachment K.

#### 4.7.6 Interregional Cost Allocation Process

For each ITP that meets the requirements of Sections 4.7.1 and 4.7.2, the NorthernGrid Enrolled Region (if and so long as it is a Relevant Planning Region) is to:

- (i) Pursuant to item (c) of Section 4.5.2 of this Attachment K, determine the amount, if any, of Regional Benefits for Purposes of Interregional Cost Allocation or Long-Term Regional Benefits for Purposes of Interregional Cost Allocation resulting from such ITP;
- (ii) Pursuant to item (ii) of Section 4.5.2 of this Attachment K, notify each of the other Relevant Planning Regions with respect to such ITP of the amount of Regional Benefits for Purposes of Interregional Cost Allocation or Long-Term Regional Benefits for Purposes of Interregional Cost Allocation of such ITP so determined;
- (iii) Pursuant to item (d) of Section 4.5.2, calculate the NorthernGrid Enrolled Region’s assigned pro rata share of the projected costs of such ITP (such share is also referred to as “**Assigned Regional Costs from Interregional Cost Allocation**” or “**Assigned Long-Term Regional Costs from Interregional Cost Allocation**”), which share is to be equal to the product of the projected costs of such ITP multiplied by a fraction, the numerator of which is to be the amount of Regional Benefits for Purposes of Interregional Cost Allocation or Long-Term Regional Benefits for Purposes of Interregional Cost Allocation of such ITP determined pursuant to item (i) above and the denominator of which is to be the sum of (a) the amount of Regional Benefits

for Purposes of Interregional Cost Allocation or Long-Term Regional Benefits for Purposes of Interregional Cost Allocation of such ITP determined pursuant to item (i) above and (b) the sum of the regional benefits or long-term regional benefits of each other Relevant Planning Region as calculated with respect to such ITP by such other Relevant Planning Region in accordance with its Regional Transmission Planning process or Long-Term Regional Transmission Planning process and provided to the NorthernGrid Enrolled Region by such other Relevant Planning Region;

- (iv) If an ITP is identified as an Eligible Cost Allocation Project pursuant to Section 2.6.3, NorthernGrid’s Cost Allocation Task Force is to proceed with the regional Cost Allocation Methodology analysis described in Section 2.6.5. If an ITP is identified as a Long-Term Eligible Cost Allocation Project pursuant to Section 3.6.2, NorthernGrid’s Cost Allocation Task Force is to proceed with the Long-Term Regional Transmission Cost Allocation analysis described in Section 3.6. Pursuant to item (e) of Section 4.5.2 of this Attachment K, NorthernGrid is to share the above determination with the other Relevant Planning Regions about such ITP; and
- (v) If NorthernGrid receives information pursuant to item (e) of Section 4.5.2 of Attachment K from one or more other Relevant Planning Regions regarding what such Relevant Planning Region’s regional cost allocation or long-term regional cost allocation would be if it were to select the ITP in its Regional Transmission Plan or Long-Term Regional Transmission Plan for purposes of Interregional Cost Allocation and what, if any, additional amount of projected project costs of such ITP its methodology would be attributable to the NorthernGrid Enrolled Region, the NorthernGrid Enrolled Region may use such information to identify an additional amount of projected costs of the ITP to be assigned to the NorthernGrid Enrolled Region if such additional amount is properly allocable to a Beneficiary(ies) as an owner(s) or operator(s) of such ITP (any such additional, properly allocable, amount is also referred to as “**Additional**

**Regional Costs from Interregional Cost Allocation” or  
“Additional Long-Term Regional Costs from  
Interregional Cost Allocation”).**

**4.7.7 Interregional Planning Information in the Long-Term Regional  
Transmission Planning Process**

Following the evaluation and selection of Long-Term Regional Transmission Facility(ies), NorthernGrid shall post the following information on the NorthernGrid Website:

- (a) Any interregional transmission facilities proposed or identified in response to the Long-Term Transmission Needs;
- (b) The voltage level, estimated cost, and estimated in-service date of the interregional transmission facilities proposed or identified as part of Long-Term Regional Transmission Planning;
- (c) The results of any cost-benefit evaluation of such interregional transmission facilities, with results including both any overall benefits identified, as well as any benefits particular to each transmission planning region; and
- (d) The interregional transmission facilities, if any, selected in the regional transmission plan for purposes of cost allocation to meet Long-Term Transmission Needs.

**SECTION 5 Economic Study Request**

**5.1 Performance of Economic Studies**

**5.1.1 Regional**

NorthernGrid, in coordination with Enrolled Parties and the Enrolled Parties Planning Committee, is to perform in accordance with Section 5 of this Attachment K economic studies pursuant to requests submitted by stakeholders in accordance with Section 5.2.1 of this Attachment K related to conditions within the Enrolled Party Region.

### 5.1.2 Local

Transmission Provider, in accordance with Section 5 of this Attachment K, is to perform economic studies pursuant to requests submitted by stakeholders in accordance with Section 5.2.2 of this Attachment K related to conditions within the Transmission Provider's Transmission System.

## 5.2 Stakeholder Requests to Perform an Economic Study

### 5.2.1 Regional

A stakeholder, which includes Enrolled Parties, may request that NorthernGrid initiate a study to examine scenarios where potential transmission solutions or investments could result in:

- a. a net reduction in total production cost to supply system load;
- b. reduced congestion; or
- c. the integration of new resources and/or loads on an aggregate or regional basis (a "**Regional Economic Study**").

### 5.2.2 Local

A stakeholder may request that Transmission Provider initiate a study related to conditions within the Transmission Provider's Transmission System to examine scenarios where potential transmission solutions or investments could result in:

- (i) a net reduction in total production cost to supply system load;
- (ii) reduced congestion; or
- (iii) the integration of new resources and/or loads on an aggregate basis (a "**Local Economic Study**").

### 5.2.3 Study Characteristics

Any economic study must focus on evaluating high-level metrics that depict various possible future scenarios for expanding the power system and quantifying the advantages and disadvantages of each. Any Economic Study Request that seeks to focus on the performance of individual assets shall not be performed.

#### 5.2.4 Study Report

A Regional Economic Study is documented in a stand-alone report, separate from the Regional Transmission Plan. A Local Economic Study is documented in a stand-alone report, separate from the Local Transmission Plan and the Regional Transmission Plan.

### 5.3 Submission, Consideration, and Prioritization of Economic Study Requests

Requests for a Regional Economic Study or a Local Economic Study shall be submitted, considered, and prioritized as follows:

- a. Between January 1st and March 31st each year, a stakeholder may submit a Regional Economic Study request to NorthernGrid through the NorthernGrid Website; and a stakeholder may submit a Local Economic Study Request to the Transmission Provider by completing the request form, which is maintained on the Transmission Provider's OASIS.
- b. Any Economic Study Request must describe the information to be evaluated and include information known by the requester that is relevant to the requested study.
- c. The Enrolled Parties Planning Committee, in the context of a request for a Regional Economic Study, is to develop a rough work scope and cost estimate for all requested Regional Economic Studies and develop a preliminary prioritization or a recommendation to cluster, based on the Enrolled Parties Planning Committee's perceived regional benefits, to assist in the prioritization of Regional Economic Study requests. Transmission Provider, in the context of a request for a Local Economic Study, is to develop a rough work scope and cost estimate for all requested Local Economic Studies associated with Transmission Provider, and develop preliminary prioritization based on Transmission Provider's perceived local benefits, to assist in the prioritization of Local Economic Study Requests, which may include clustering, if appropriate.
- d. By no later than June 1st of each year, NorthernGrid is to hold a meeting of the Enrolled Parties Planning Committee for the members of the Enrolled Parties Planning Committee to discuss, identify, and prioritize, up to one (1) Regional Economic Study to be performed in a given year by NorthernGrid, and at no cost to the requestor, taking into consideration its impact on the NorthernGrid

budget and other priorities. By no later than June 1st of each year, Transmission Provider receiving a Local Economic Study Request is to identify and prioritize, up to one (1) Local Economic Study to be performed in a given year by Transmission Provider, and at no cost to the requestor, taking into consideration the impact of performing such study on Transmission Provider's budget and its other priorities. Regional Economic Studies and Local Economic Studies are intended to be completed by calendar year-end.

- e. The Enrolled Parties Planning Committee, in the context of a Regional Economic Study, or Transmission Provider, in the context of a Local Economic Study, may respectively agree to hold additional meetings to discuss further and resolve any issue concerning the substance of the Regional Economic Studies or Local Economic Studies themselves and/or their prioritization.
- f. The Enrolled Parties Planning Committee is to publish a notice on the NorthernGrid Website detailing the prioritization of the Regional Economic Studies. Transmission Provider is to publish a notice on its OASIS detailing the prioritization of Local Economic Studies.

The foregoing timelines are subject to adjustment as determined by the Enrolled Parties Planning Committee in the context of Regional Economic Studies, or by the Transmission Provider in the context of Local Economic Studies.

Any study proponent may request and pay for NorthernGrid to perform a Regional Economic Study beyond the one Regional Economic Study per year identified in Section 5.3(d). Any study proponent may request and pay for the Transmission Provider to perform a Local Economic Study beyond the one Local Economic Study per year identified in Section 5.3(d).

## **5.4 Support for the Preparation of Economic Studies**

### **5.4.1 Regional**

For the development of each Regional Economic Study, the Enrolled Parties Planning Committee is to coordinate with the Enrolled Parties to support NorthernGrid's performance of any economic study. To facilitate this support, NorthernGrid is to post on the NorthernGrid Website the models, files, cases, contingencies, assumptions, and other information used to perform an economic study. NorthernGrid may establish requirements that any Enrolled Party or member of the Enrolled Parties Planning Committee must satisfy to access certain information used to perform the economic study, due to CEII

constraints. NorthernGrid may ask Enrolled Parties or Enrolled Parties Planning Committee members with specialized expertise to provide technical support or conduct studies to assess one or more potential needs to be considered in the Regional Economic Study process. NorthernGrid is to convene meetings open to any representative of an entity that is a member of the Enrolled Parties Planning Committee to facilitate input on draft Regional Economic Studies.

#### **5.4.2 Local**

For the development of a Local Economic Study, the Transmission Provider is to post on its OASIS the models, files, cases, contingencies, assumptions, and other information used to perform the study. The Transmission Provider may establish requirements that must be met to access certain information used to perform the Local Economic Study due to CEII constraints.

### **5.5 Publication of Economic Study Report**

The Enrolled Parties Planning Committee is to post its Regional Economic Study reports on the NorthernGrid Website, subject to CEII constraints. Transmission Provider is to post its Local Economic Study reports on its OASIS, subject to CEII constraints. Economic Studies containing CEII will be posted as password-protected documents.

## **SECTION 6 Dispute Resolution**

### **6.1 Scope**

Transmission Provider and any Enrolled Party, Non-Incumbent Transmission Developer, ITP Proponent, Merchant Transmission Developer, Eligible Customer, or stakeholder that participates in the Local, Regional, or Long-Term Regional Planning Process outlined in this Attachment K shall utilize the dispute resolution process set forth in this Section 6 to resolve procedural and substantive disputes related thereto.

### **6.2 Process**

The following dispute resolution process shall be followed, in an effort to resolve all disputes related to this Attachment K:

- Step 1:** The disputing entity shall provide prompt written notice of the dispute to the chairs of the Enrolled Parties Planning Committee or to Transmission Provider, in the case of a dispute regarding the Local Planning Process in Section 1, by submitting a completed Dispute Resolution form, which is available on the NorthernGrid Website, in accordance with the instructions contained on the form.

- Step 2:** An executive representative from the disputing entity shall participate in good faith negotiations with the chairs of the Enrolled Parties Planning Committee, or an executive representative from Transmission Provider, in the case of a dispute regarding the Local Planning Process in Section 1, to resolve the dispute as promptly as practicable. In the event the executive representative and the chairs or Transmission Provider executive representative are unable to resolve the dispute by mutual agreement within thirty (30) calendar days of the written notice of dispute, or such other period as the parties may mutually agree upon, the parties shall proceed to Step 3.
- Step 3:** In furtherance of efforts to resolve the dispute, the parties may utilize an agreed-upon third-party or the Commission's dispute resolution service to facilitate mediation to resolve the dispute. If the dispute remains unresolved after Step 3, the disputing entity shall proceed to Step 4.
- Step 4:** As a last resort, the disputing entity may invoke the arbitration procedures set out in Article 12 of the pro forma Open Access Transmission Tariff to resolve the dispute.

### **6.3 Timeliness**

To facilitate the timely completion of the Local Transmission Plan, the Regional Transmission Plan, and the Long-Term Regional Transmission Plan, disputes over any matter shall be raised in a timely; provided, however, in no case shall a dispute under this Section 6 be raised more than 30 calendar days after a decision is made in the study process or the posting of a document, whichever is earlier. Except to the extent that a binding arbitration decision has been rendered pursuant to Step 4 above, nothing contained in this Section 6 shall restrict the rights of any entity to file a complaint with the Commission under relevant provisions of the Federal Power Act.

**NORTHERNGRID**  
**COST ALLOCATION TASK FORCE**  
**CHARTER**

## CONTENTS

<b>ARTICLE 1</b>	<b>PURPOSE AND LIMITATIONS.....</b>
1.1	Purpose.....
1.2	Limitations.....
1.3	Confidential Information .....
<b>ARTICLE 2</b>	<b>PARTICIPATION .....</b>
2.1	Taskforce.....
2.2	Appointment of TF Participants (TF Participant list).....
2.3	Eligibility to Make Decisions .....
2.4	TF Participant Disclaimer .....
2.5	No Compensation from NorthernGrid .....
<b>ARTICLE 3</b>	<b>MEETINGS.....</b>
3.1	Work Sessions; Notice.....
3.2	Procedure .....
3.3	Quorum.....
3.4	Decision Making.....
3.5	Remote Participation.....
<b>ARTICLE 4</b>	<b>CHAIR.....</b>
4.1	Election of Chair.....
4.2	Resignation .....
<b>ARTICLE 5</b>	<b>MISCELLANEOUS .....</b>
5.1	Amendments .....

## **COST ALLOCATION TASK FORCE CHARTER**

**OF**

### **NORTHERNGRID (An Unincorporated Association)**

This document sets forth the charter of the NorthernGrid Cost Allocation Task Force (“**Task Force**”).

#### **ARTICLE 1 PURPOSE AND LIMITATIONS**

**1.1 Purpose.** The Taskforce is convened by the Enrolled Parties and States Committee. The Taskforce’s function is to carry out the responsibilities assigned to the Taskforce in the Regional and Long-Term Regional Transmission Planning sections of the Enrolled Parties’ Attachment K of the Open Access Transmission Tariffs (“**Attachment K**”). Capitalized terms that are not otherwise defined and that are used in this charter have the same meaning as in Attachment K. The Taskforce shall act in accordance with Attachment K, this charter, and applicable legal and regulatory requirements.

**1.2 Limitations.** The Taskforce does not have the authority to amend, alter, or repeal any Attachment K. Nothing in this charter shall prevent any TF Participant appointed to this Taskforce, as defined in Section 2.1, from acting in accordance with any legal requirement.

**1.3 Confidential Information.** Any confidential information is to be treated in accordance with Attachment K or other applicable confidentiality agreements.

#### **ARTICLE 2 PARTICIPATION**

**2.1 Taskforce.** The Taskforce is composed of individuals (each, a “**TF Participant**”) appointed by Enrolled Parties and States to perform the work assigned to the Taskforce. Enrolled Parties are entities that are identified in the list of Enrolled Parties in Attachment K. States are states in which any Enrolled Party provides retail load service.

**2.2 Appointment of TF Participants (TF Participant list).** Each Enrolled Party may appoint one (1) TF Participant to the Taskforce. Each State may appoint one (1) TF Participant to the Taskforce. Each Enrolled Party and each State may appoint a TF Participant or change its TF Participant at any time; provided, however, a TF Participant must be appointed at least one (1) business day in advance of a meeting for that person to be eligible to participate in decision-making at the meeting. Enrolled Parties and States are encouraged to appoint TF Participants with appropriate skillsets. Notices of appointment and contact information for each

TF Participant shall be submitted via the NorthernGrid Website at [www.northerngrid.net](http://www.northerngrid.net). Each Enrolled Party and State should appoint its TF Participant in the first January of each Planning Cycle to enable the Taskforce to begin work promptly when required.

**2.3 Eligibility to Make Decisions.** Only the TF Participants of Enrolled Parties and States appointed to the Taskforce are eligible to make decisions on matters before the Taskforce.

**2.4 TF Participant Disclaimer.** Actions or positions taken or not taken by a TF Participant appointed by a State through this Taskforce do not constitute a prejudgment of any issue in any proceeding at any time before any agency of that TF Participant's State.

**2.5 No Compensation from NorthernGrid.** TF Participants shall not receive compensation or reimbursement of expenses from NorthernGrid; rather, a TF Participant may be compensated or reimbursed by his or her appointing Enrolled Party or State.

### **ARTICLE 3 MEETINGS**

**3.1 Work Sessions; Notice.** Meetings held by the Taskforce are open to stakeholder participation; provided, however, that attendance may be restricted at a meeting to the extent necessary to address non-public information, critical energy infrastructure information, or other legal or regulatory requirements. Stakeholders may provide comments during the meetings or within seven days of the meeting. The Taskforce shall convene at such times and locations as the Taskforce shall from time to time establish. Notice of meetings shall be emailed by the chair to all TF Participants at least seven days before the meeting. Notice of meetings shall also be posted on NorthernGrid's Website, stating the date, time, and location, at least seven days before the meeting.

**3.2 Procedure.** The chair shall establish the agenda for all meetings.

**3.3 Quorum.** To make a decision, a quorum of 75% of the TF Participants appointed to the Taskforce by the Enrolled Parties (see Section 2.2) must be present at the meeting at which a decision is to be made.

**3.4 Decision Making.** Except as set forth in Section 4.1, a Taskforce decision is valid if 75% of the TF Participants present at the meeting approve.

**3.5 Remote Participation.** TF Participants may participate in Taskforce meetings via communications equipment, so that all persons may participate and be heard. Participation by such means constitutes presence at the meeting.

## **ARTICLE 4 CHAIR**

**4.1 Election of Chair.** The Taskforce shall be managed by a chair. At the first meeting of the Taskforce convened by the Enrolled Parties and States Committee in a Planning Cycle or following a resignation, the TF Participants shall elect a chair from the TF Participants appointed by an Enrolled Party. This decision shall be made by a majority vote of the TF Participants present at the meeting at which the decision is made.

**4.2 Resignation.** The chair may resign at any time by giving written notice to the Taskforce. Any resignation shall take effect on the date and time specified by that notice. Acceptance of the resignation is not necessary for it to be effective. The resignation from the position of chair does not itself remove that TF Participant from the Taskforce.

## **ARTICLE 5 MISCELLANEOUS**

**5.1 Amendments.** This charter may be amended in whole or in part by the Enrolled Parties. Periodically, the Taskforce should review this charter and may propose changes to this charter to the Enrolled Parties. All amendments to this charter shall be set forth in writing and effective upon approval by the Enrolled Parties or such other date as may be set by the Federal Energy Regulatory Commission.

**NORTHERNGRID**  
**ENROLLED PARTIES PLANNING COMMITTEE**  
**CHARTER**

## CONTENTS

<b>ARTICLE 1</b>	<b>PURPOSE AND LIMITATIONS.....</b>
1.1	Purpose.....
1.2	Limitations.....
1.3	Confidential Information .....
<b>ARTICLE 2</b>	<b>PARTICIPATION .....</b>
2.1	Participants.....
2.2	Definition .....
2.3	Stakeholder Participation; Eligibility to Vote.....
<b>ARTICLE 3</b>	<b>REPRESENTATIVES.....</b>
3.1	General Powers .....
3.2	Appointment of Representatives or Alternates .....
3.3	Identification of Committee Members.....
3.4	Alternates .....
3.5	Authority.....
3.6	Representative Disclaimer .....
3.7	Non-Attendance .....
3.8	No Compensation from NorthernGrid.....
<b>ARTICLE 4</b>	<b>REPRESENTATIVE MEETINGS .....</b>
4.1	Open Meetings and Limitations.....
4.2	Regular Meetings; Notice and Minutes .....
4.3	Other Sessions.....
4.4	Procedure .....

- 4.5 Representative List.....
- 4.6 Quorum .....
- 4.7 Decision Making.....
- 4.8 Remote Participation.....

**ARTICLE 5 CHAIR .....**

- 5.1 Officer, Election, and Term .....
- 5.2 Chairs .....
- 5.3 Removal .....
- 5.4 Resignation .....
- 5.5 Vacancies .....

**ARTICLE 6 MISCELLANEOUS .....**

- 6.1 Dispute Resolution.....
- 6.2 Amendments .....

## ENROLLED PARTIES PLANNING COMMITTEE CHARTER

OF

### NORTHERNGRID (An Unincorporated Association)

This document sets forth the charter of the NorthernGrid Enrolled Parties Planning Committee (“**Committee**”).

#### ARTICLE 1 PURPOSE AND LIMITATIONS

**1.1 Purpose.** The Committee, made up of representatives appointed pursuant to Section 3.2 below and the co-chairs of the Enrolled Parties and States Committee, shall carry out the responsibilities assigned to the Committee in the Regional Transmission Planning section and Long-Term Regional Transmission Planning section of the Enrolled Parties’ Attachment K of the Open Access Transmission Tariffs (“**Attachment K**”). Capitalized terms that are not otherwise defined and that are used in this charter have the same meaning as in Attachment K. The Committee shall act in accordance with Attachment K, this charter, and applicable legal and regulatory requirements. The Committee operates independently of any other NorthernGrid committee.

**1.2 Limitations.** The Committee does not have the authority to amend, alter, or repeal any Attachment K. Nothing in this charter shall prevent any representative appointed to this Committee from acting in accordance with any legal requirement.

**1.3 Confidential Information.** Any confidential information is to be treated in accordance with Attachment K or other applicable confidentiality agreements.

#### ARTICLE 2 PARTICIPATION

**2.1 Participants.** The Committee is composed of representatives of the Enrolled Parties, and the co-chairs of the Enrolled Parties and States Committee.

**2.2 Definition.** Enrolled Parties are entities that are identified in the list of Enrolled Parties in Attachment K.

**2.3 Stakeholder Participation; Eligibility to Vote.** Any stakeholder may participate in Committee meetings. However, only the representatives (or, consistent with Sections 3.3 and 3.4, the applicable alternate) of Enrolled Parties appointed to the Committee, and the co-

chairs of the Enrolled Parties and States Committee are eligible to vote on matters before the Committee.

### **ARTICLE 3 REPRESENTATIVES**

**3.1 General Powers.** The business and affairs of the Committee shall be carried out through representatives appointed to the Committee in accordance with Section 3.2, and the co-chairs of the Enrolled Parties and States Committee. The co-chairs of the Enrolled Parties and States Committee participate in this Committee as representatives of the Enrolled Parties and States Committee. The Committee's functions are to carry out the purpose as set forth in Section 1.1.

**3.2 Appointment of Representatives or Alternates.** Each Enrolled Party may appoint one (1) representative and one (1) alternate to the Committee. Each Enrolled Party may appoint the individuals they choose as representative(s) or alternate(s), but it is contemplated that individuals appointed would have skills or roles relevant to the work of this Committee. An Enrolled Party may appoint and/or change its own representative(s) or alternate(s) at any time; provided, however, a representative or alternate must be appointed at least one (1) business day in advance of a meeting for that person to be eligible to participate in decision-making at the meeting.

**3.3 Identification of Committee Members.** Notices of appointment and contact information for each representative and alternate shall be submitted via the NorthernGrid Website at [www.northerngrid.net](http://www.northerngrid.net). A list of each representative and alternate, along with their contact information, shall be maintained on the NorthernGrid Website. The contact information for the co-chairs of the Enrolled Parties and States Committee is available on the NorthernGrid Website. If an entity ceases to be an Enrolled Party, that entity's previously appointed representative and alternate shall no longer be on the Committee.

**3.4 Alternates.** Except as provided in Section 5.1 as to eligibility for election as a chair, all references in this charter to a representative include his or her alternate acting when that representative is absent. For clarity, whenever a given representative is absent, the alternate appointed by the applicable entity for that position may act and has all authority, and the alternate is considered as the representative for all purposes of that meeting (including establishing a quorum), or any actions taken or considered at such meeting; provided however, when the person appointed as representative is present, the alternate for that representative has no role or authority.

**3.5 Authority.** An appointed representative has authority to act on behalf of their appointing Enrolled Party.

**3.6 Representative Disclaimer.** Actions or positions taken or not taken by a representative of a state through this Committee do not constitute a prejudgment of any issue in any proceeding at any time before any agency of that representative's state.

**3.7 Non-Attendance.** If neither a given representative nor their alternate attends three (3) consecutive meetings, that position no longer counts for purposes of establishing a quorum on this Committee. At such time as the representative or a newly appointed representative attends a meeting, that position again counts for purposes of establishing a quorum.

**3.8 No Compensation from NorthernGrid.** Representatives and the co-chairs of the Enrolled Parties and States Committee shall not receive compensation or reimbursement of expenses from NorthernGrid.

#### **ARTICLE 4 REPRESENTATIVE MEETINGS**

**4.1 Open Meetings and Limitations.** Public meetings held by the Committee are open to stakeholder participation, provided, however, that attendance may be restricted to the extent necessary to address non-public information, critical energy infrastructure information, or other legal or regulatory requirements.

**4.2 Regular Meetings; Notice and Minutes.** The Committee shall hold regular meetings at such times and locations as the Committee shall from time to time establish. The schedule of such meetings will be posted on NorthernGrid's Website stating dates, times, and locations. Special meetings of the Committee may be called at any time by the chair. Notice of all meetings shall be transmitted by email by or on behalf of the chair to all representatives and alternates and the co-chairs of the Enrolled Parties and States Committee not less than seven (7) calendar days before each meeting. Notice shall also be posted on NorthernGrid's Website, and shall contain the date, time, and location of the special meeting. Meeting materials, if any, shall be posted on the NorthernGrid Website before the meeting. The chair shall cause minutes, including a list of attendees, of each meeting held pursuant to this section to be taken and posted on NorthernGrid's Website.

**4.3 Other Sessions.** The chair may convene non-public sessions as may be necessary or as requested by any representative or the co-chairs of the Enrolled Parties and States Committee. Notice of any separate non-public meetings shall be transmitted via email by or on behalf of the chair to all representatives and alternates and the co-chairs of the Enrolled Parties and States Committee not less than seven (7) calendar days before each such meeting. Notice shall also be posted on NorthernGrid's Website, and contain the date, time, and location of the non-public meeting.

**4.4 Procedure.** The chair shall establish the agenda for all meetings.

**4.5 Representative List.** The chair shall update and post the representative list, including appointed alternates, on the NorthernGrid's Website one (1) business day in advance of each meeting, and the updated list will be used to determine the persons whose presence (in any approved manner) will be counted for establishing a quorum at that upcoming meeting.

**4.6 Quorum.** Subject to the provisions of Section 3.7, seventy-five percent (75%) of the representatives and the co-chairs of the Enrolled Parties and States Committee must participate in a meeting for a decision to occur at the meeting.

**4.7 Decision Making.** Except as provided for in Article 5, at any meeting of the Committee at which a quorum is achieved, any business under the Committee's authority may be transacted, and the Committee may exercise all of its powers. The Committee shall strive to make its decisions by consensus. A representative or one of the co-chairs of the Enrolled Parties and States Committee may request that a vote be conducted; however, once requested, a vote shall be taken. Except as provided for in Article 5, if a vote is required, the affirmative vote of seventy-five percent (75%) of the individuals in attendance (the representatives and the co-chairs of the Enrolled Parties and States Committee) is required to act at a meeting.

**4.8 Remote Participation.** Representatives and the co-chairs of the Enrolled Parties and States Committee may participate in Committee meetings by means of communications equipment, on which all persons may participate and be heard. Participation by such means constitutes presence at the meeting.

## ARTICLE 5 CHAIR

**5.1 Officer, Election, and Term.** The officer of the Committee shall be the chair. On a biannual basis, coinciding with the first meeting of the Committee in an even-numbered calendar year, the Enrolled Parties shall elect, by majority vote, from among the Enrolled Party representatives a chair. The chair term is for two (2) years.

**5.2 Chairs.** The chair shall preside at all meetings of the Committee. The chair shall otherwise perform the other duties usually inherent in such office. The chair may appoint an acting chair when not able to attend a meeting. The appointment of an acting chair does not create a vacancy.

**5.3 Removal.** The Committee, acting as a whole, may remove the chair whenever a quorum as defined in Section 4.6 exists and, by an affirmative vote as defined in Section 4.7, it is decided that removal will serve the best interests of the Committee.

**5.4 Resignation.** The chair may resign from the chair position at any time by giving written notice to the Committee. Any resignation shall take effect on the date and time specified by that notice. Acceptance of the resignation is not necessary for it to be effective. The resignation from the position of chair does not itself remove that representative from the Committee.

**5.5 Vacancies.** Vacancies in the chair arising from any cause shall be filled by the Enrolled Party representatives, at the next meeting, by a majority vote as provided in Section 5.1. The newly appointed chair will complete the term of office.

## **ARTICLE 6 MISCELLANEOUS**

**6.1 Dispute Resolution.** Disputes shall be subject to the dispute resolution process outlined in Attachment K.

**6.2 Amendments.** This charter may be amended in whole or in part by the Enrolled Parties. Periodically, the Committee should review this charter and may propose changes to the Enrolled Parties. All amendments to this charter shall be set forth in writing and effective upon approval by the Enrolled Parties or such other date as may be set by the Federal Energy Regulatory Commission.

**NORTHERNGRID**  
**ENROLLED PARTIES AND STATES COMMITTEE**  
**CHARTER**

## CONTENTS

<b>ARTICLE 1</b>	<b>PURPOSE AND LIMITATIONS.....</b>
1.1	Purpose.....
1.2	Limitations.....
1.3	Confidential Information .....
<b>ARTICLE 2</b>	<b>PARTICIPATION .....</b>
2.1	Participant Classes .....
2.2	Definition of Classes.....
2.3	Stakeholder Participation; Eligibility to Vote.....
<b>ARTICLE 3</b>	<b>REPRESENTATIVES.....</b>
3.1	General Powers .....
3.2	Appointment of Representatives or Alternates .....
3.3	Alternates .....
3.4	Authority .....
3.5	Representative Disclaimer .....
3.6	Non-Attendance .....
3.7	No Compensation from NorthernGrid .....
<b>ARTICLE 4</b>	<b>REPRESENTATIVE MEETINGS .....</b>
4.1	Open Meetings and Limitations.....
4.2	Regular Meetings; Notice and Minutes .....
4.3	Other Sessions.....
4.4	Procedure .....
4.5	Representative List.....

- 4.6 Quorum .....
- 4.7 Decision Making.....
- 4.8 Remote Participation.....

**ARTICLE 5 OFFICERS .....**

- 5.1 Officers, Election, and Term.....
- 5.2 Co-Chairs .....
- 5.3 Removal .....
- 5.4 Resignation .....
- 5.5 Vacancies .....
- 5.6 Participation in Other Committees.....

**ARTICLE 6 MISCELLANEOUS .....**

- 6.1 Taskforce.....
- 6.2 Dispute Resolution.....
- 6.3 Amendments .....

## ENROLLED PARTIES AND STATES COMMITTEE CHARTER

OF

### NORTHERNGRID (An Unincorporated Association)

This document sets forth the charter of the NorthernGrid Enrolled Parties and States Committee (“**Committee**”).

#### ARTICLE 1 PURPOSE AND LIMITATIONS

**1.1 Purpose.** The Committee, made up of representatives appointed pursuant to Section 3.2 below, shall carry out the responsibilities assigned to the Committee in the Regional Planning section of the Enrolled Parties’ Attachment K of the Open Access Transmission Tariffs (“**Attachment K**”). Capitalized terms that are not otherwise defined and that are used in this charter have the same meaning as in Attachment K. The Committee shall act in accordance with Attachment K, this charter, and applicable legal and regulatory requirements. The Committee operates independently of any other NorthernGrid committee.

**1.2 Limitations.** The Committee does not have the authority to amend, alter, or repeal any Attachment K. Nothing in this charter shall prevent any representative appointed to this Committee from acting in accordance with any legal requirement.

**1.3 Confidential Information.** Any confidential information is to be treated in accordance with Attachment K or other applicable confidentiality agreements.

#### ARTICLE 2 PARTICIPATION

**2.1 Participant Classes.** The Committee is composed of representatives of two classes, Enrolled Parties and States.

**2.2 Definition of Classes.** Enrolled Parties are entities that are identified in the list of Enrolled Parties in Attachment K. States are states in which any Enrolled Party provides retail load service.

**2.3 Stakeholder Participation; Eligibility to Vote.** Any stakeholder may participate in Committee meetings. However, only the representatives (or, consistent with Sections 3.3 and 3.4, the applicable alternate) of Enrolled Parties and States appointed to the Committee are eligible to vote on matters before the Committee.

## **ARTICLE 3 REPRESENTATIVES**

**3.1 General Powers.** The business and affairs of the Committee shall be carried out through representatives appointed to the Committee in accordance with Section 3.2. The Committee's functions are to carry out the purpose as set forth in Section 1.1.

**3.2 Appointment of Representatives or Alternates.** Each Enrolled Party may appoint one (1) representative and one (1) alternate to the Committee. Each State may appoint up to two (2) representatives and one (1) alternate for each representative so appointed by that State. Each Enrolled Party or State may appoint the individuals they choose as representative(s) or alternate(s), but it is contemplated that individuals appointed would have skills or roles relevant to the work of this Committee. As examples, Enrolled Parties might appoint individuals with roles in transmission planning; States might appoint individuals from agencies such as state utility commissions, state customer advocates, or state transmission siting agencies. An Enrolled Party or State may appoint and/or change its own representative(s) or alternate(s) at any time; provided, however, a representative or alternate must be appointed at least one (1) business day in advance of a meeting for that person to be eligible to participate in decision-making at the meeting. Notices of appointment and contact information for each representative and alternate shall be submitted via the NorthernGrid Website at [www.northerngrid.net](http://www.northerngrid.net). A list of each representative and alternate, along with their contact information, shall be maintained on the NorthernGrid Website. If an entity ceases to be an Enrolled Party, that entity's previously appointed representative and alternate shall no longer be on the Committee.

**3.3 Alternates.** Except as provided in Section 5.1 as to eligibility for election as a co-chair, all references in this charter to a representative include his or her alternate acting when that representative is absent. For clarity, whenever a given representative is absent, the alternate appointed by the applicable entity for that position may act and has all authority, and the alternate is considered as the representative for all purposes of that meeting (including establishing a quorum), or any actions taken or considered at such meeting; provided however, when the person appointed as representative is present, the alternate for that representative has no role or authority.

**3.4 Authority.** An appointed representative has authority to act on this Committee on behalf of their appointing Enrolled Party or State.

**3.5 Representative Disclaimer.** Actions or positions taken or not taken by a representative of a State through this Committee do not constitute a prejudgment of any issue in any proceeding at any time before any agency of that representative's State.

**3.6 Non-Attendance.** If neither a given representative nor their alternate attends three (3) consecutive meetings, that position no longer counts for purposes of establishing a quorum on this Committee. At such time as the representative or a newly appointed

representative attends a meeting, that position again counts for purposes of establishing a quorum.

**3.7 No Compensation from NorthernGrid.** Representatives shall not receive compensation or reimbursement of expenses from NorthernGrid; rather, a representative may be compensated or reimbursed by his or her appointing Enrolled Party or State.

## **ARTICLE 4 REPRESENTATIVE MEETINGS**

**4.1 Open Meetings and Limitations.** Public meetings held by the Committee are open to stakeholder participation, provided, however, that attendance may be restricted to the extent necessary to address non-public information, critical energy infrastructure information, or other legal or regulatory requirements.

**4.2 Regular Meetings; Notice and Minutes.** The Committee shall hold regular meetings at such times and locations as the Committee shall from time to time establish. The schedule of such meetings will be posted on NorthernGrid's Website stating dates, times, and locations. Special meetings of the Committee may be called at any time by the co-chairs. Notice of all meetings shall be transmitted by or on behalf of the co-chairs to all representatives and alternates not less than seven (7) calendar days before each meeting. Such notice shall be transmitted by email to the representatives and alternates and posted on NorthernGrid's Website, and shall contain the date, time, and location of the special meeting. Meeting materials, if any, shall be posted on the NorthernGrid Website before the meeting. The co-chairs shall cause minutes, including a list of attendees, of each meeting held pursuant to this section to be taken and posted on NorthernGrid's Website.

**4.3 Other Sessions.** The co-chairs may convene non-public sessions as may be necessary or as requested by any representative. Notice of any separate non-public meetings shall be transmitted via email by or on behalf of the co-chairs to all representatives and alternates not less than seven (7) calendar days before each such meeting. Such notice shall also be posted on NorthernGrid's Website and contain the date, time, and location of the non-public meeting.

**4.4 Procedure.** The co-chairs shall establish the agenda for all meetings.

**4.5 Representative List.** The co-chairs shall update and post the representative list, including appointed alternates, on the NorthernGrid's Website one (1) business day in advance of each meeting, and the updated list will be used to determine the persons whose presence (in any approved manner) will be counted for establishing a quorum at that upcoming meeting.

**4.6 Quorum.** Subject to the provisions of Section 3.6, seventy-five percent (75%) of the representatives in each class must participate in a meeting for a decision to occur at the meeting.

**4.7 Decision Making.** Except as provided for in Article 5, at any meeting of the Committee at which a quorum is achieved, any business under the Committee's authority may be transacted, and the Committee may exercise all of its powers. The Committee shall strive to make its decisions by consensus. A representative may request that a vote be conducted; however, once requested, a vote shall be taken. Except as provided for in Article 5, if a vote is required, the affirmative vote of seventy-five percent (75%) of the representatives in attendance of each class is required to act at a meeting. When only a single class approves of a proposed action, that class may provide a report detailing the issue and positions to the Planning Committee for their consideration.

**4.8 Remote Participation.** Representatives may participate in Committee meetings by means of communications equipment, on which all persons may participate and be heard. Participation of a representative by such means constitutes presence at the meeting.

## **ARTICLE 5 OFFICERS**

**5.1 Officers, Election, and Term.** The officers of the Committee shall be the co-chairs. On a biannual basis, coinciding with the first meeting of the Committee in an even-numbered calendar year, the Enrolled Parties shall elect, by majority vote, from among the Enrolled Party representatives a co-chair. On a biannual basis, coinciding with the first meeting of the Committee in an odd-numbered calendar year, the States shall elect, by majority vote, from among the State representatives a co-chair. Co-chair terms are for two (2) years. The name and contact information of the co-chairs shall be posted on the NorthernGrid Website.

**5.2 Co-Chairs.** A co-chair shall preside at all meetings of the Committee. The co-chairs shall otherwise perform the other duties usually inherent in such office, including representation of the decisions made by this Committee in other NorthernGrid committees, as may be necessary and appropriate.

**5.3 Removal.** The Committee, acting as a whole, may remove any officer from the officer position whenever a quorum as defined in Section 4.6 exists and, by an affirmative vote of seventy-five percent (75%) of the representatives present, it is decided that removal will serve the best interests of the Committee.

**5.4 Resignation.** Any officer may resign from the co-chair position at any time by giving written notice to the Committee. Any resignation shall take effect on the date and time specified by that notice. Acceptance of the resignation is not necessary for it to be effective. The resignation from the position of co-chair does not itself remove that representative from the Committee.

**5.5 Vacancies.** Vacancies in any office arising from any cause shall be filled by the class of representatives from which the vacant position arose, at the next meeting by a majority

vote of the representatives as provided in Section 5.1. The newly appointed officer will complete the vacancy term.

**5.6 Participation in Other Committees.** The co-chairs are representatives to the Member Planning Committee and the Enrolled Parties Planning Committee.

## **ARTICLE 6 MISCELLANEOUS**

**6.1 Taskforce.** The co-chairs shall convene the Cost Allocation Taskforce within ten (10) business days upon a co-chair's receipt of a Project Sponsor's Request for Cost Allocation. The appointment of participants to the Cost Allocation Taskforce shall be made in the manner defined in the Cost Allocation Taskforce Charter.

**6.2 Dispute Resolution.** Disputes shall be subject to the dispute resolution process outlined in Attachment K.

**6.3 Amendments.** This charter may be amended in whole or in part by the Enrolled Parties. Periodically, the Committee should review this charter and may propose changes to the Enrolled Parties. All amendments to this charter shall be set forth in writing and effective upon approval by the Committee or such other date as may be set by the Federal Energy Regulatory Commission.

## Non-Enrolled Developer Agreement

This Non-Enrolled Developer Agreement (“**Agreement**”) is by and between \_\_\_\_\_ (“**Developer**”) and each of the Enrolled Parties of NorthernGrid, each of which hereafter shall be referred to individually as “**Party**” and collectively as “**Parties.**”

### RECITALS

A. NorthernGrid is an unincorporated association of its members formed for the purpose of coordinating Regional Transmission Planning and Long-Term Regional Transmission Planning for the NorthernGrid members;

B. Developer is (i) a Non-Incumbent Transmission Developer, (ii) a Merchant Transmission Developer, or (iii) an Interregional Transmission Project (ITP) Proponent;

C. Developer intends to propose a transmission project for evaluation in the NorthernGrid Regional Transmission Plan or Long-Term Regional Transmission Plan in accordance with the provisions in Sections 2.3.2.3 and 3.3.2.3, respectively, in the Enrolled Parties Attachment K (as defined below);

D. This Agreement is for:

i. the Regional Transmission Planning Cycle that begins January 1, \_\_\_\_, and ends December 31, \_\_\_\_; or

ii. the Long-Term Regional Transmission Planning Cycle that begins January 1, \_\_\_\_, and ends December 31, \_\_\_\_; and

E. The Parties desire to define their rights and obligations related to participation in the NorthernGrid Regional Transmission Planning or Long-Term Regional Transmission Planning processes.

NOW THEREFORE, in consideration of the mutual benefits and other good and valuable consideration, the Parties hereby agree as follows:

**1. Term.** This Agreement shall be effective on the later of (i) the first day of the Regional Transmission Planning Cycle or Long-Term Regional Transmission Planning Cycle stated in the recitals above or (ii) the Execution Date indicated below, and shall continue in effect until the end of the Regional Transmission Planning Cycle or Long-Term Regional Transmission Planning Cycle stated in the recitals above (“**Term**”).

## 2. Definitions

- a. **“Commission”** or **“FERC”** means the Federal Energy Regulatory Commission or any successor entity.
- b. **“Enrolled Parties Attachment K”** means the Attachment K to the Open Access Transmission Tariffs of the Enrolled Parties that have an Attachment K approved by FERC.
- c. **“Finance Administrator”** means the entity that is selected to serve in the role of the Finance Administrator pursuant to the NorthernGrid Funding Agreement, as may be amended from time to time.
- d. **“Funding Agreement”** or **“NorthernGrid Funding Agreement”** means the current version of the agreement among the parties funding the activities of NorthernGrid as may be amended from time to time.
- g. **“Long-Term Regional Transmission Planning Cycle”** means each Long-Term Regional Transmission Planning Cycle undertaken by NorthernGrid to create the Long-Term Regional Transmission Plan.
- e. **“Member”** is an entity that has executed the NorthernGrid Funding Agreement.
- h. **“Project Coordinator”** means the entity to be engaged to perform and/or facilitate transmission planning activities.
- f. **“Regional Transmission Planning Cycle”** means each two-year process beginning on January 1 of even-numbered years and ending on December 31 of odd-numbered years, undertaken by NorthernGrid, to create the Regional Transmission Plan.

Except as may otherwise be expressly provided herein, capitalized terms in this Agreement shall have the meanings provided in the Enrolled Parties Attachment K.

## 3. Study Fee

- a. Upon execution of this Agreement, a Non-Incumbent Developer or Merchant Transmission Developer shall pay \$10,000 to the Finance Administrator for the study fee for participating in the NorthernGrid Regional Transmission Planning Process or Long-Term Regional Transmission Planning Process. In no event will this study fee be refunded.
- b. An ITP Proponent is not required to pay the study fee.

- 4. Expectations.** Developer agrees to:
- a. Comply with all applicable confidentiality requirements;
  - b. Be bound by the decisions of the Enrolled Parties Planning Committee and the Cost Allocation Taskforce; and
  - c. Actively participate in the transmission planning processes set forth in the Enrolled Parties Attachment K.

To the extent anything in this Agreement is inconsistent with the Enrolled Parties Attachment K, the Enrolled Parties Attachment K shall control.

**5. Miscellaneous**

**a. Amendments.** This Agreement shall not be modified, amended, or changed in any respect except by a written document signed by all Parties; provided, however, that such modification, amendment, or change shall be subject to acceptance by the Commission, if required, before it becomes effective.

**b. Applicable Law.** No Party will be considered the drafter of this Agreement for purposes of interpreting this Agreement. This Agreement shall be interpreted, construed, and enforced in accordance with the laws of the State of Oregon; provided that this Agreement shall, with respect to a Party that is a U.S. government entity, be interpreted, construed, and enforced in accordance with the laws of the United States.

**c. Assignment.** No Party may transfer or assign this Agreement, in whole or in part, without the other Parties' prior written consent, except that any Party may assign this Agreement to any: (i) affiliate, (ii) successor in interest, or (iii) corporation or other business entity acquiring all or substantially all assets of the assigning Party.

**d. Binding Effect.** This Agreement is binding upon and inures to the benefit of the successors and assigns of the Parties.

**e. Dispute Resolution.** The Parties agree to resolve disputes according to the process set forth in the Enrolled Parties Attachment K.

**f. Execution in Counterparts.** The Parties may sign this Agreement in counterparts, each of which will be deemed to be an original, but all of which together will constitute the same document. Delivery of an executed signature page of this Agreement by facsimile transmission or email shall be effective as delivery of a manually executed counterpart hereof.

**g. Force Majeure.** No Party shall be liable or responsible to any other Party, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement (except for any obligations to make payments hereunder), when and to the extent such failure or delay is caused by or results from the following force majeure events (“**Force Majeure Events**”): (i) acts of God; (ii) flood, fire, earthquake, or explosion; (iii) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest; (iv) government order or law; (v) actions or blockades in effect on or after the date of this Agreement; (vi) action by any governmental authority; (vii) national or regional emergency; (viii) strikes, labor stoppages or slowdowns, or other industrial disturbances; (ix) shortage of adequate power or transportation facilities; and (x) other similar events beyond the control of the Party impacted by the Force Majeure Event (the “**Impacted Party**”). The Impacted Party shall give notice within five (5) business days of the Force Majeure Event to the other Parties, stating the period of time the occurrence is expected to continue. The Impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized, to the extent practicable. The Impacted Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause.

**h. Headings.** The headings used in this Agreement are for convenience only and shall not be construed as a part of this Agreement or as a limitation on the scope of the particular paragraphs to which they refer.

**i. Integration.** This Agreement, including any exhibits hereto, constitutes the complete agreement of the Parties and supersedes all prior or contemporaneous representations, statements, negotiations, understandings, or inducements with respect to the subject matter of this Agreement.

**j. Jury Trial.** To the fullest extent permitted by law, each Party waives any right it may have to a trial by jury in respect of litigation directly or indirectly arising out of, under, or in connection with this Agreement. Each Party further waives any right to consolidate any action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived.

**k. Limitation of Liability.** In no event shall any Party be liable under this Agreement to any other Party or to any third party for any consequential, incidental, indirect, exemplary, special, or punitive, including any damages for business interruption, loss of use, revenue or profit, whether arising out of breach of contract, tort (including negligence) or otherwise, regardless of whether such damages were foreseeable and whether or not the breaching party was advised of the possibility of such damages. The sole remedy for any breach of this Agreement is to enforce prospective compliance with this Agreement’s terms and conditions.

**l. No Joint Action.** This Agreement shall not be interpreted or construed to create an association, joint venture, or partnership, or to impose any partnership obligations or liability.

**m. Notice.** Any notice to Developer regarding this Agreement shall be made to:

Name: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

City, State ZIP: \_\_\_\_\_

Email: \_\_\_\_\_

**n. Ownership of Products.** All information, data, reports, results, or other products generated pursuant to the planning efforts undertaken by NorthernGrid will be available to all Parties for their undivided use; provided, however, that Parties retain the right to engage in separate agreements addressing specific ownership rights of information, data, reports, results, or other products funded through mechanisms outside the scope of NorthernGrid.

**o. Severability.** If any portion of this Agreement is held to be void or unenforceable, the balance thereof shall continue to be effective.

**p. Third-Party Beneficiaries.** All signatories of the NorthernGrid Funding Agreement for the current Planning Cycle are third-party beneficiaries of this Agreement.

**q. Waiver.** A waiver by a Party of any default or breach by another Party of any covenants, terms, or conditions of this Agreement shall not limit the Party's right to enforce such covenants, terms, or conditions or to pursue its rights in the event of any subsequent default or breach.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on \_\_\_\_\_ (“Execution Date”).

**DEVELOPER**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Developer is (check one):

- Non-Incumbent Transmission Developer
- Merchant Transmission Developer
- Interregional Transmission Project (ITP) Proponent

**AVISTA CORPORATION**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**IDAHO POWER COMPANY**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**MATL LLP**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**NORTHWESTERN CORPORATION**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**NV ENERGY**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**PACIFICORP**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**PORTLAND GENERAL ELECTRIC COMPANY**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**PUGET SOUND ENERGY, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## **Exhibit A**

Developer shall provide a listing of project(s) being submitted for consideration, including the following specifics: Project name, Regional/Interregional nature of project, inclusion of project in Regional Transmission Planning Horizon, Long-Term Regional Transmission Planning Horizon, or both.